Daily Report

Latin America

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CONTENTS

NOTICE TO READERS: An • indicates material not disseminated in electronic form.
An Ω indicates a Foreign Media Note.

INTERNATIONAL AFFAIRS

Barbados, 4 Others Chosen To Lobby For Completion of GATT *[CANA]* 1
Caribbean Leaders 'Satisfied' With Conference Support *[CANA]* 1

INTER-AMERICAN AFFAIRS

Peru's Fujimori Declined To Sign 16 Oct Rio Summit Document *[Madrid EFE]* 3
De Leon Carpio Opens Central America Summit *[Guatemala City TV]* 3

CARIBBEAN

Cuba

Justice Minister on Increasing Antidrug Cooperation *[Havana Radio]* 5
Nuclear Affairs Secretariat Becomes Profitable Body *[Havana Radio]* 5
Chamber of Commerce Official Discusses Foreign Trade *[Havana TV]* 5
National Command Post Created To Oversee Harvest *[Havana Radio]* 6
Rigoberto Garcia Fernandez Interviewed on EJT Farms *[Havana Radio]* 6
Arab-American Businessmen's Meeting To Begin 28 Oct *[Havana Radio]* 7
Roundup of Economic Activity Reported 21 Oct to 27 Oct *[Havana Radio, TV]* 7
Emigrants Warn Against Inviting U.S.-Paid Dissidents *[Havana Radio]* 8

Haiti

Malval Resignation Reported *[Port-au-Prince Radio]* 8
27 Oct Meeting Cancelled; Malval Resignation Rumor Discussed *[Port-au-Prince Radio]* 8
Deputies Postpone 26 Oct Session to 27 Oct *[Port-au-Prince Radio]* 9
Cedras Protests to Malval on Ships in Haitian Waters *[Port-au-Prince Radio]* 10
Government Not Advised of Suspension of Jonassaint Order *[Port-au-Prince Radio]* 10
Aristide Will Not Return on 30 Oct *[Port-au-Prince Radio]* 10
Union Calls 24-Hour General Strike for 29 Oct *[Port-au-Prince Radio]* 10
Army, Government Disagree Over 3 Points of Agreement *[Madrid EFE]* 11

Jamaica

Trade, Investment Mission Departs for Far East *[CANA]* 12

NAFTA

• Deficiencies Seen in NAFTA Side Agreements *[Mexico City LA JORNADA 30 Sep]* 13
• Censorship, Ratification Process Linked *[Mexico City EXCELSIOR 7 Oct]* 15
Officials React to New Canadian Position on NAFTA Approval *[AFP]* 17

MEXICO

Border State Governors Cited on 'Operation Blockade' *[AFP]* 19
Deputies Visit Border Area *[Mexico City TV]* 19
Salinas Urges Unity in Fight Against Trade Protectionism *[NOTIMEX]* 20

CENTRAL AMERICA

Belize

Government Seeks Support Against Aggression, Traffickers *[CANA]* 21

Costa Rica

Minister Goes to Washington 'To Overcome Differences' *[ACAN]* 21
Government To Abide by Expropriation Ruling *[LA NACION 27 Oct]* 22
* Proposed 1994 Budget Presented to Congress *[LA REPUBLICA 2 Sep]* 22
* Inflation Rate Hits 6.25 Percent in August *[LA REPUBLICA 3 Sep]* 24
* August Foreign Trade Deficit of $581 Million *[LA REPUBLICA 17 Sep]* 24
* PLN Proposes Social Development Programs *[LA REPUBLICA 20 Sep]* 24

El Salvador

Police Director Remarks on Attack Plot Against President *[San Salvador TV]* 25

Guatemala

Police Reinforcements Sent to Legislature To Keep Peace *[SIGLO VEINTIUNO 27 Oct]* 26
Forum Members, Deputies Remark on Demonstration at Congress *[Guatemala City TV]* 26
OAS Occupiers List Demands; Menchu Leadership Denied *[AFP]* 27
OAS Secretary General Said To Promise Mediation in Takeover *[NOTIMEX]* 27
Unidentified Persons Raid Mutual Support Group Headquarters *[ACAN]* 27
Foreign Trade Minister Resigns Due to 'Health Problems' *[ACAN]* 28

Nicaragua

Government Deplores Death of Panamanian Foreign Minister *[ACAN]* 28

Panama

Foreign Minister Linares Dies in New York City *[Panama City Radio]* 28
Molirena President, Endara Comment *[Panama City TV]* 28
Endara Announces Resignation of Four Ministers *[LA PRENSA 27 Oct]* 29
Ex-Police Director Asvat Kidnapped *[ACAN]* 29

SOUTH AMERICA

Argentina

Foreign Minister Endorses 'Necessary' Blockade of Haiti *[NOTICIAS ARGENTINAS]* 30
Cordoba Governor Meets Menem, Refuses To Back Reform
[BUENOS AIRES HERALD 27 Oct] 30
UCR Deputy Di Tulio Resigns Seat Over Plebiscite *[NOTICIAS ARGENTINAS]* 30
Economy Official Calls for IMF Support for Adjustment Process *[NOTICIAS ARGENTINAS]* 31
Cavallo Discusses Inflation, Exports, GDP *[BUENOS AIRES HERALD 27 Oct]* 31
Santiago del Estero Governor Resigns *[Buenos Aires Radio]* 31
Air Force Denies Punishing Retired Officer *[NOTICIAS ARGENTINAS]* 31

Bolivia

Foreign Minister Denies U.S. Embassy 'Interference' *[La Paz Radio]* 32

Brazil

CPI Authorizes Breaking Banking, Tax Secrecy *[Brasilia Radio]* 32
Finance Minister on Privatization of Electric Power Industry *[O GLOBO 26 Oct]* 32
Economic Team Considering Monthly Index *[FOLHA DE SAO PAULO 25 Oct]* 32

* Poll: Party Preferences on Constitutional Themes 33
* Priority Issue of Tax Reform *[O ESTADO DE SAO PAULO 3 Oct]* 33
* Splits on Secondary Issues *[O ESTADO DE SAO PAULO 3 Oct]* 34
* Electoral Reform Controversial *[O ESTADO DE SAO PAULO 4 Oct]* 39
* Britto Gains Ground as PMDB Presidential Candidate *[ISTOE 29 Sep]* 41
* Virtues, Shortcomings of Franco's Personality Seen *[ISTOE 29 Sep]* 42

Chile

Aylwin, Politicians View Carabineros Incident On 21 Oct *[Santiago TV]* 43

Colombia

Escobar Apparently Would Surrender if Family Safety Guaranteed *[Madrid EFE]* 44
Search Bloc Operations, Results Detailed *[EL NUEVO SIGLO 17 Oct]* 45
* Polls on Candidate Preferences Compared *[CROMOS 27 Sep]* 46

Paraguay

President Wasmosy Outlines Economic Reforms *[Lambare Radio]* 48

Peru

Polls Show Increase in Support for No Vote *[Madrid EFE]* 52
March Allowed by 'No Vote' Supporters *[Madrid EFE]* 52
Students Stage Second Day of Disturbances in Lima *[Lima Radio]* 52
CCD President Discusses Constitutional Referendum *[Lima Radio]* 52
Constituent Congress Sessions Suspended Until 2 Nov *[LA REPUBLICA 14 Oct]* 55
Constitutional Amendments Outlined *[EL PERUANO 30 Sep]* 55
Use of Sendero Members in Pacification Process Assessed *[EL COMERCIO 13 Oct]* 57

Venezuela

Defense Minister Testifies on Rangel Accusations *[Caracas TV]* 58
Rangel Appears in Court *[Caracas TV]* 59
Navy Requests Purchase of 3 Planes, 2 Helicopters *[EL NACIONAL 22 Oct]* 59

Barbados, 4 Others Chosen To Lobby For Completion of GATT

FL2510153593 Bridgetown CANA in English 1510 GMT 25 Oct 93

[Text] Limassol, Cyprus, Oct 25, CANA—Barbados is among five Commonwealth countries chosen to lobby for a successful completion of the Uruguay Round of Trade Negotiations by December 15, the Commonwealth Secretariat says. At an informal retreat, part of the on-going Commonwealth heads of government conference in Cyprus, the heads of government chose Barbados, Canada, Ghana, Malaysia, and Mauritius to send a ministerial delegation to select with the aim of encouraging compromise on the trade negotiations.

"They will visit Geneva for talks with the GATT (General Agreement on Trade and Tariffs) director general, Brussels for talks with the European Commission, and then to Bonn, Paris, Tokyo, and Washington," Commonwealth Secretary-General Chief Ameka Anyaoku announced at the end of the retreat Sunday.

"These are the capitals the heads of government believe discussion will propel the negotiations in the direction of a successful conclusion," Chief Ameka said. The countries will select their own ministers although the Commonwealth has recommended ministers involved in trade, foreign affairs, or finance. The mission begins its work from the second week in November .

Commonwealth countries on Friday unanimously agreed to commit the 50-member body to the December 28th deadline for conclusion of the GATT, and to set up the mission to get other nations to join the effort. The Uruguay Round envisages removal of tariffs and other barriers to free trade in agriculture, industrial products, and services.

Caribbean countries, fearful of the effects of free trade on the vital Windward Islands banana exports, were able after what one source told CANA were often heated submissions, to get the Commonwealth to agree to ask GATT to recognise standing international treaties like the Lome Convention. Lome provides preferential trading arrangements for Caribbean bananas against cheaper Latin American exports.

Caribbean Leaders 'Satisfied' With Conference Support

FL2610174493 Bridgetown CANA in English 1645 GMT 26 Oct 93

[By Kendol Morgan]

[Text] Limassol, Cyprus, Oct 26, CANA—Caribbean delegations departed from the 19th biennial Commonwealth Summit here, satisfied with what officials described as the strong support other delegations gave to the three main proposals presented by the Caribbean at the five day meeting.

Commonwealth leaders agreed to throw the support of the 50-nation grouping behind the special concerns of Caribbean banana producing countries, which are seeking the world trade body, the General Agreement on Tariffs and Trade (GATT), to look favourably on a European Community regime that offers protection to Caribbean bananas.

The leaders also accepted an action plan drafted by ministers of small states which addresses development concerns of areas like the Caribbean. And the conference set in motion a proposal by Jamaica's Prime Minister P.J. Patterson for a Commonwealth Human Resources Development Initiative.

"The Commonwealth meeting has authorised the secretary general to undertake certain work for consideration at the ministerial level by 1994," Patterson told CANA after he presented the proposal to the conference. The Jamaica prime minister wants the young people of Caribbean and other Commonwealth countries prepared to handle expected technological changes. He has proposed the mobilisation of all Commonwealth training and research institutions in this regard. The conference also agreed to a proposal by small Commonwealth states to help provide the human resources needed to increase the pace of their development.

"It was agreed the Commonwealth should play a role in identifying resources and making the knowledge and availability of these resources available to all states so that you can access the resources that you require," Trinidad and Tobago Prime Minister Patrick Manning told CANA.

"In Trinidad and Tobago, for example, we have a shortage of legal drafting skills, and that has emerged as a major constraint on the rate of development in Trinidad and Tobago," he said.

"We've also looked at the cost of some of these resources and whether we couldn't rationalise that in some way."

Barbados Foreign Minister Branford Taitt, who led his country's delegation to the conference, said the Commonwealth's small island states pledged full support when issues of concern to them are taken to next April's United Nations conference on small island developing states in Barbados.

"The heads are recommending that the action programme which we hope to have as an outcome to that conference, will be supported," Taitt told CANA.

Patterson and Manning said the best result for the Caribbean was the Commonwealth support for the GATT negotiations. "That was very major," Manning said.

"I expect it to be of considerable influence," Patterson added.

Caribbean leaders lobbied strongly throughout the conference for the Commonwealth statement on the GATT

to include a call for the GATT negotiations to recognise existing treaties such as Lome which provides the protection offered to Caribbean bananas and sugar in Europe.

"While the Lome convention is not specifically mentioned, the language there refers to that and that is what it means as far as we are concerned and we are delighted with that," said St. Vincent and the Grenadines Prime Minister James Mitchell, who led the discussion on the issue.

Commonwealth leaders will meet in New Zealand in 1995 for their next conference.

Peru's Fujimori Declined To Sign 16 Oct Rio Summit Document

PY2510205093 Madrid EFE in Spanish 1835 GMT 24 Oct 93

[Text] Santiago, Chile, 24 Oct (EFE)—According to an article published today, 24 October, in the daily LA EPOCA, Peruvian President Alberto Fujimori declined to sign the so-called "Santiago Declaration" signed by the 11 Latin American heads of state and government who attended the seventh Rio Group summit held on 15-16 October.

The same source adds that Chilean President Patricio Aylwin, the host of the "summit" meeting, thought it advisable that each head of state should sign the final document, which had already been approved by the respective foreign ministries, so as to give more solemnity to the event.

The newspaper article adds that "everybody was greatly surprised when Peruvian President Alberto Fujimori pointed out that he would not sign the document, because it was too lengthy and vague in its phrasing."

Thus, the article further states, the document was issued with only the approval of the respective foreign ministries and the names of the heads of state and government, but without their signatures. LA EPOCA discloses in its article some unknown aspects of the two-day summit meeting held in Chile's capital city.

The presidents of Chile, Bolivia, Brazil, Uruguay, Paraguay, Ecuador, Peru, Colombia, Venezuela, Mexico, and El Salvador were present at the "summit." Neither the Argentine president nor the Jamaican prime minister could participate in this event for health reasons.

De Leon Carpio Opens Central America Summit

PA2810005993 Guatemala City Cadena de Emisoras Unidas in Spanish 2258 GMT 27 Oct 93

[Opening speech by Guatemalan President Ramiro De Leon Carpio to the 14th Central American Summit at the Government Palace in Guatemala City on 27 October—live or recorded]

[Text] Your Excellency President of Nicaragua; Your Excellencies Presidents of the rest of the Central American Republics; Your Excellency Vice President of the Dominican Republic; Mr. Vice President of the Republic of Guatemala; Your Excellency Secretary General of the Central American Integration System; Your Excellency Secretary General of the Secretariat for Central American Economic Integration; Your Excellencies Messrs. Foreign Ministers of Central America; Your Excellencies Messrs. Government Ministers of Central America; Your Excellencies Messrs. chiefs of diplomatic and consular missions credited to the Government of the Republic of Guatemala; honorable Central American delegations; honorable special guests; messrs. officials of the Guatemalan Government; ladies and gentlemen:

Without unity, there is no agreement. Without agreement there is no order, and without order neither the physical nor the moral worlds can subsist.

Messrs. Central American Presidents, Guatemala, a pro-Central America country par excellence, is honored to be the host again for you—who represent the sovereign will of the citizens of your countries, as expressed freely through the ballots in processes that are examples for the whole world and due to which we can say with honor that our isthmus is a place in which the governments are legitimate.

It seems only yesterday that our predecessors decided to make the historic decision to create the political mechanism of the presidential summits and held one for the first time in the place of greatest tradition of spiritual unity among Central Americans—Esquipulas.

Those were times of serious political problems in the area, and therefore, the first presidential summits dealt with these topics. Those summits have been key points in political decisions. They produced their own options for solutions to the problems. The positive results were immediate and, thanks to decisions made at those meetings, peace and democracy prevailed in more than one of our countries.

Later, another city of great importance in Central American history—as is Antigua Guatemala—was where the presidential summits began their second stage, during which emphasis was especially directed at the region's economic problems.

This stage is now about to be completed; therefore, it is time to begin a third stage.

Guatemala is proud to be the place where five Central American presidents—who are present here today and who are others than those who founded this effort—are beginning to look forward, beginning to lift their heads. By signing the Treaty for Central American Economic Integration protocol, which is one of the main reasons that bring us here to this three-day summit of hard work on other topics, but mainly on the economic topic, they take a firm first step so that our region enters the third millennium of the Christian era with new perspectives for human development; therefore, this summit has a special importance and has prompted great expectations, as it is the greatest effort of the last three decades at attaining the economic integration of a geographical portion of land that is united but which in spite of its many similarities also has great differences and contrasts.

Central America must be prepared to live in a firm and lasting peace, but to achieve this it is necessary to fight poverty because poverty is the greatest enemy of peace and democracy.

As my country's former human rights ombudsman, I can frankly tell you that it is impossible to talk of democracy

and respect for human rights if poverty has reached the levels it has unfortunately reached in our region.

That is why we must take public spending to the most needy areas, where the problem is more serious—but not by printing more money, rather by changing the destination of public spending and, above all, by fixing our sights in the extra urban areas and on respect for human rights, not just individual rights, but also the economic, social, and cultural rights, meaning education, health, housing, work, nutrition, etc.

In obedience to the Constitution, we should strive to correct our internal economic imbalance; then we will be able to speak of true integration, which would be impossible in the presence of an imbalanced economy in our country. Although the ghost of war has not been cast away completely in Guatemala and Nicaragua and although some of our democracies are weak and certain others are still immature, the struggle for an integrated development cannot be delayed any further, a development that will make it possible not only to combat but to eradicate poverty from the Central American peoples, who are desperate and sick, more due to the economic situation than due to the machine gun bullets [words indistinct].

As I said before, between 60 and 70 percent of Central America lives between poverty and extreme poverty. The region owes $28 billion to foreign creditors and has a negative commercial balance a million times this figure. This is a great challenge for us but also for the peoples we govern.

I would like to speak of my country for a few moments. Guatemala is recovering the respect and love of its friendly neighboring countries. The fruits of a government that stimulates flexibility and tolerance as a form of government have begun to be reaped. We have a new style of government. In the name of the people, we have started a historic struggle against corruption, yet another enemy of democracy. This entails giving all state institutions the essential credibility and decorum to govern. This is the basis for a historic popular consultation, which will soon purge and restructure the state institutions in the country. This is why a new Guatemala welcomes you all to this 14th Central American Presidents' Summit.

The challenge ahead of us is great and of great responsibility, because more than 30 million Central Americans expect this summit to mark the beginning of an integration process to stimulate regional development. Every power is weak if it is not united to others. Unity gives strength and firmness even to the weakest. When those who govern (?unite), there is nothing they should fear.

On officially declaring open this 14th summit and for your satisfaction, gentlemen presidents, who have worked so hard for this integration process, I end by telling you all that unity is only possible by sincere men and women.

Cuba

Justice Minister on Increasing Antidrug Cooperation

PA2810021093 Havana Radio Havana Cuba in Spanish 0000 GMT 28 Oct 93

[From the "Evening Information Review" newscast]

[Text] Cuba has reasserted its willingness to increase cooperation with other states in the struggle against drug trafficking, and it has urged the international community to put aside rhetoric and adopt specific measures against this scourge.

In an address to the United Nations, during a two-day meeting on the struggle against the production and trade of drugs, Cuban Justice Minister Carlos Amat said the Caribbean island has signed agreements in this concern with Mexico, Venezuela, Colombia, and Jamaica, and it expects to increase them with Europe.

Asked about contacts between Cuba and the United States on this issue in recent years, the justice minister said the two countries have coincided in different international documents which state that the antidrug struggle cannot be individually assumed by one country.

He added that the Cuban Government had recently delivered to the United States various naturalized citizens in U.S. territory, after they had been caught near the Cuban coast with drug shipments. U.S. authorities have recently realized that such cooperation is necessary, the Cuban minister said.

Nuclear Affairs Secretariat Becomes Profitable Body

FL2710144593 Havana Radio Rebelde Network in Spanish 0000 GMT 27 Oct 93

[Text] The executive secretariat of nuclear affairs has now become a profitable organization. In the past few months the organization has been able to cover its own expenses through its income in convertible currency. One of the deputy secretaries of the organization, Engineer Gilberto Salazar Cairo, has said that economic self sufficiency has been possible thanks to the production of radiopharmaceuticals, marked compounds [compuestos marcados], and electronic equipment, as well as providing services, and technical assistance.

Chamber of Commerce Official Discusses Foreign Trade

FL2710165393

[Editorial Report] Havana Cuba Vision Network in Spanish at 0200 GMT on 27 October carries a 27-minute live interview with Carlos Martinez Salsamendi, president of the Cuban Chamber of Commerce, CCC, during the "Open Agenda" program hosted by Antonio Resillez.

In his opening remarks and, after admitting that the Cuban situation is both "difficult and complex," Resillez states that the interview is designed to show the Cuban people what the Cuban Chamber of Commerce is doing to promote development.

Asked about his background, Martinez says he is an economist, that he has been heading the CCC since May this year, and that he had earlier worked for 20 years under the direct supervision of Dr. Carlos Rafael Rodriguez Rodriguez, vice president of the Council of State.

After briefly outlining the history of the CCC, Martinez states that it "basically and exclusively focuses on foreign trade." Commenting on the CCC's main role in the wake of the collapse of the Socialist Bloc, he says that the CCC's main objective at this stage has been "to promote trade, but in light of the current situation prevailing in the country our fundamental role now is to promote exports and to attract foreign capital; that is, foreign investments."

Martinez notes that trade with the Socialist Bloc used to account for 85 percent of Cuba's foreign trade, while its trade with market economy countries accounted for only 15 percent. He adds: "Now, 100 percent of our economic relations is being conducted under market economy conditions."

Martinez goes on to say that the CCC must adapt to these new conditions and serve as a liaison with foreign trade partners to all CCC members. Thus, he says, the CCC also plays a key role on the domestic front because "as a result of the decentralization, of the demonopolization of foreign trade, these activities are now being conducted nationwide. There are foreign trade enterprises not only in Havana, but also in other parts of our territory." He adds that the establishment of CCC offices in Santiago de Cuba and Matanzas is now being considered.

Martinez then reports that the CCC had 173 members in 1992 and that 39 others joined it this year, thus bringing the total number of members to 212. These members are Cuban enterprises engaging in foreign trade. He adds that 481 foreign companies have representatives in Cuba, as well as 80 representatives of mixed companies or of joint ventures.

Commenting on promotion of foreign trade, Martinez reports that 54 foreign delegations visited Cuba in 1992 and that a similar number of delegations already visited the country thus far this year. He adds that the CCC is charged "with coordinating and organizing the participation of Cuban enterprises in international fairs," that Cuba was represented in 10 international fairs last year and in 10 thus far this year.

After mentioning the fairs attended by Cuba, Martinez reports that the CCC has published a bimonthly English-Spanish magazine entitled "Cuba: Foreign Trade."

Additionally, he says, since May it has published a Spanish-only magazine that seeks to supply more timely information.

Martinez also reports that the CCC is charged with issuing certificates of origin for foreign trade transactions. He adds that the CCC also serves as agent for industrial property rights. He says: "The CCC acts as an agent whenever the trademark or patent of a Cuban product is to be registered abroad. It also acts as an agent for foreign companies wishing to do the same in Cuba." He adds that the CCC headquarters houses the Court of Arbitration on foreign trade which is, however, an independent court.

Asked about the business delegations visiting Cuba, Martinez said that "most of them come from Latin America, the Caribbean, and Europe."

After describing his recent visit to Mexico as positive and making it clear that only legally established enterprises can be members of the CCC, Martinez confirms that Cuban representatives will hold on 28-29 October their second meeting with Arab-American businessmen; that is, "businessmen of Arab descent residing in the Americas, from Canada to Argentina and Chile. Businessmen from Arab countries will also be attending this time."

Commenting on a four-minute clip which is broadcast during the program and which contains remarks by the president of the Netherlands Chamber of Commerce, who recently visited Havana, Martinez says that these remarks "reflect the enormous interest by foreign businessmen in coming to Cuba, in learning about our reality, and in doing business in Cuba."

Martinez concludes the interview by giving details of the number of countries that will be represented in the 11th international fair to be held in Havana.

National Command Post Created To Oversee Harvest

FL2710205693 Havana Radio Rebelde Network in Spanish 1800 GMT 27 Oct 93

[Text] A national command and control post [puesto nacional de mando y su sala de control] will begin operating during the upcoming harvest. Among other duties, the post will be charged with receiving and evaluating reports on a daily basis and with making the appropriate operational decisions.

The creation of this post has been prompted by the urgent need to conduct an efficient campaign in light of today's difficult conditions, which require that special measures be adopted to control and support the harvest.

The head of the national command and control post will be the sugar industry minister, and his first alternate will be the first vice minister. Serving in this post will be specialists in various areas as well as representatives from other organizations playing a key role in the harvest.

Similar posts will be established in the provinces. There will also be groups charged with controlling and supporting the harvest in three regions; that is, the Western, Central, and Eastern regions. Each regional group will be chaired by a vice minister.

It has been decided that any irregularity should be reported within one hour to the provincial post, which in turn should report it to the national command post in less than two hours. The report should contain a description of causes and recommended actions, as well as an analysis of the behavior of major harvest variables during that period.

Rigoberto Garcia Fernandez Interviewed on EJT Farms

FL2710211993 Havana Radio Rebelde Network in Spanish 1800 GMT 27 Oct 93

[Text] Division General Rigoberto Garcia Fernandez, chief of the Youth Labor Army [EJT], announced that the EJT will form 20 Integrated Production Farms [Granjas Integrales de Produccion], which will take care of 754 caballerias of different types of crops in Havana Province. Gen. Garcia was interviewed for this newscast by reporter Jorge Luis Martinez Zamora.

[Begin recording] [Martinez] General, what are the characteristics of these farms?

[Garcia] They are state farms on which the EJT will take over all the farms' resources and technology, but the land will still belong to the state. As far as the economic system goes, we will continue using the current economic system of incentives and the economic system for farms. It is the same system that the Basic Cooperative Production Units will be using.

[Martinez] What is the EJT's goal for these farms regarding distribution of the harvested products?

[Garcia] We hope to acquire the minimal [as heard] quantity of quintals that technological capacity demands. In addition to this, another of our missions is to bring the products directly to the consumer. In other words, we want these products to reach the consumer directly because of the problems consumers have had in obtaining those products. This allows the consumer to benefit from the quality and quantity of these products, and the consumer knows the value of that. Obviously, this will represent a greater effort on our part. I believe that we should bring the products to the consumer for several reasons. The only way we are going to be sure that everything we produce reaches its final destination is for us to take those products there ourselves.

[Martinez] What is the production goal of these farms for 1994?

[Garcia] In 1994, we hope to produce approximately 4 or 5 million quintals.

[Martinez] You have just heard Division Gen. Rigoberto Garcia Fernandez, chief of the EJT, on the EJT's incorporation into Havana's agriculture. [end recording]

Arab-American Businessmen's Meeting To Begin 28 Oct

FL2710232093 Havana Radio Reloj Network in Spanish 2030 GMT 27 Oct 93

[Text] Miguel Jimenez, head of the International Relations department of the Cuban Chamber of Commerce [CCC] [position as heard] announced that firms from Spain, Venezuela, and Canada will be attending the Second Arab-American Businessmen's Meeting that begins Thursday [28 October] here in Havana. Jimenez said that more than 30 firms from 14 countries of Latin America, the Middle East, and Europe will either be present or represented at the meeting. Among the countries that have confirmed that they will attend the Second Arab-American Businessmen's Meeting are Canada, Venezuela, Panama, Spain, Cyprus, Lebanon, United Arab Emirates, and Syria. Jimenez explained that the meeting will be divided up into two parts, to satisfactorily address the visitors' concerns and interests.

During the event's first day, 28 October, the businessmen who will be participating in the meeting in this capital will receive information on the current status of the Cuban economy and the possibilities our country offers foreign investment.

The CCC has advised that the second part of the exchange among businessmen will consist of bilateral talks with the nation's enterprises, according to the interests of each of the 30 firms from 14 nations that will be participating in the forum. The objective of this meeting is to increase Cuba's economic and trade relations with the Arab communities of America and with the governments of the Middle East. Our sources added that interest has been expressed in tourism, the sugar industry, oil, and tobacco.

Roundup of Economic Activity Reported 21 Oct to 27 Oct

FL2710153793

[Editorial Report] The following is a compilation of fileworthy reports on economic developments in Cuba carried on Havana radio and television in Spanish between 21 October and 27 October.

Radio Reblede at 1800 on 21 October reports that 85 percent of the Basic Cooperative Production Units, UBPC, of the sugar industry sector have been created.

Radio Rebelde goes on to report that enterprises from Cuba, Venezuela, and Colombia have agreed to establish a container factory in Santa Marta City in Colombia which will supply Caribbean, South American, and European countries. Colombia contributes 50 percent of the needed funds, which is estimated to be $12 million.

Radio Rebelde also reports that the U.S.-Cuba Project Humanitarian Organization gave the William Soler Pediatric Hospital an important donation of medicine with a value of approximately $300,000. The donation includes vitamins, penicillin, and medicine for the treatment of asthma. Members of the organization have pledged to continue their campaign in rejection of the blockade against Cuba.

Radio Rebelde at 1155 GMT on 22 October reports that one of Havana Province's most difficult tasks is to bring about a recovery in the cattle-raising sector. Before the special period began, Havana Province had one of the best herds in the nation and was outstanding in milk production, producing over 300 million liters in for a time period not specified. At present, however, the province produces approximately 40 million liters annually because of the high loss of livestock due to a lack of feed.

Radio Rebelde at 1155 GMT on 22 October reports that the National Chemical, Mining, and Energy Industry Workers Trade Union is planning to hold the national ceremony in commemoration of mining/geological workers day at the Oil Drilling and Extraction Enterprise in Varadero on 23 October. A group of wives of British miners visiting Cuba is scheduled to participate in the ceremony. The delegation, headed by (Frank Cabe), vice president of the British Miners Organization, brought a $15,000 donation consisting of protective equipment and medicines for miners' illnesses.

Radio Rebelde at 1501 GMT on 22 October reports that 1,469 UBPC's have been formed in the cane sector throughout Cuba.

Radio Rebelde at 1800 GMT on 22 October reports that the Cubanacan Corporation has been made an honorary member of the Canadian Hotelkeepers Association, Asociacion Hotelera de Canada.

Radio Rebelde at 1800 GMT on 22 October reports that under an agreement between the Cuban Volleyball Federation and the Japanese clothing store firm (Djoahan), the Cuban girls volleyball team will represent the firm in an (?international tournament) from 23 December 1993 to March, 1994. Under this mutually beneficial agreement, the girls will get needed practice while the Japanese will pick up the teams lodging, food, and transportation costs, and there will also be some income in hard currency for Cuba.

Radio Progreso at 1200 GMT on 25 October carries remarks by Lieutenant Colonel Roberto Ramos Carballo on production activities carried out by the rear services of the Western Army. He reports that thus far this year the Western Army has manufactured approximately 98,000 bars of toilet, laundry, and medicinal soap.

Radio Rebelde at 1255 GMT on 25 October reports that "there has been a recovery in the cattle raising and dairy sector in Havana Province." Reporter Diosdado Maso states that "breaking down large cattle and dairy farms into small ones; that is, by creasting micro- farms, has yielded tremendous results." He reports that there are already four metric tons of fodder in storage for each cow in Havana Province. He notes, however, that people should not expect an immediate increase in milk production because a cow does not supply milk before she is three years old. He adds that "an encouraging recovery" can also be observed in Camaguey Province and in other eastern provinces.

Tele Rebelde and Cuba Vision at 0100 GMT on 25 October reports that the new power generating unit of the Ciro Redondo agricultural-industrial complex of Ciego de Avila will consist of three turbine generators of five megawatt each, which will be linked to the national power system. The investment is estimated at more than 1 million pesos. The first turbine generator will be saving between 8,000 and 1,000 kwh to the national power system. The new unit will be supplying nearly 60 megawatt/hour daily to the national power system. Initial tests of this unit are scheduled for the second half of December.

Radio Rebelde at 1000 GMT on 27 October reports that the Jose Antonio Echeverria sugar enterprise of Cardenas Municipality, Matanzas Province, has exported sugarcane byproducts totaling $1.7 million.

Radio Rebelde goes on to report that the organizational process for agricultural work has concluded in Holguin Province with the creation of 117 UBPC's in the sugarcane sector.

Tele Rebelde and Cuba Vision at 0100 GMT on 27 October reports that, by December, 90 to 100 independent production farms [granjas integrales de produccion] will be created throughout the country in the sugarcane and miscellaneous crops areas to be cared for by soldiers of the Youth Labor Army, EJT. In Havana Province, the EJT will care for 754 caballerias of land in 20 miscellaneous crops enterprises. They hope to produce more than 4 millions quintals of vegetables and tubers for the next year.

Emigrants Warn Against Inviting U.S.-Paid Dissidents

FL2710235893 Havana Radio Reloj Network in Spanish 2032 GMT 27 Oct 93

[Text] Cubans residing in the United States are in favor of dialogue. Representatives of the Cuban community in Miami and New Jersey feel that sectors hostile to our country's process should be excluded from a meeting planned for 1994 in Havana, between emigrants and the Cuban authorities.

In telephone statements to PRENSA LATINA, (Roberto Soliz), president of the Organization of Cuban-American Professionals and Businessmen [la organizacion de profesionales y empresarios cubanoamericanos], commented that the dialogue would lose meaningfulness [seriedad] if terrorist groups or groups aggressive toward Cuba were to participate in it. Cuban Foreign Minister Roberto Robaina had recently proposed an exchange of views with moderate and conservative political groups of the Cuban community in the United States.

(Roberto Soliz) stressed that he would not sit down with Cuban authorities if he were to find the Cuban-American National Foundation at his side.

(Raimundo del Toro), president of the Cuban-American Committee of New Jersey [el comite cubanoamericano de Nueva Jersey] expressed the opinion that the meeting between emigrants and representatives of Havana, planned for the second quarter of 1994, will help better understand the situation in Cuba. (Del Toro) accused the Cuban-American National Foundation, headed by Jorge Mas Canosa, of financing the campaigns of certain U.S. senators in exchange for Washington's support of a policy hostile toward Cuba. (Del Toro) added that Cuba should not engage in dialogue with sectors paid by Washington to set Latin America against the island.

Among the discussion topics suggested for the 1994 meeting are the lifting of the blockade of Cuba, respect for independence, and a possible reconciliation among all Cubans.

Haiti

Malval Resignation Reported

FL2710183393 Port-au-Prince Signal FM Radio in French 1030 GMT 27 Oct 93

[Text] There is no doubt that Robert Malval will resign his post as prime minister on 30 October if President Aristide does not return to the country. This is [words indistinct]. The head of government explained this yesterday afternoon during a meeting with members of the private sector about the fuel problem the country has been experiencing for several days.

27 Oct Meeting Cancelled; Malval Resignation Rumor Discussed

FL2710202493 Port-au-Prince Radio Metropole in French 1600 GMT 27 Oct 93

[Text] The meeting planned for today, 27 October, between Prime Minister Malval and General Cedras regarding the Haitian crisis has been cancelled. It should be noted that the two men have already met three times since 23 October without reaching a formal agreement. Clarence Renois reports live:

[Renois] Unfortunately, there has been no formal or official explanation about the seemingly bilateral decision to cancel this second meeting, which was planned for today at the residence of Prime Minister Robert

Malval. The prime minister and members of his government were due to meet with the Army General Staff and General Cedras.

The meeting has been canceled, as announced at the prime minister's residence. There have been no official explanations. A news conference had also been planned for this morning, but no reason [for its cancellation] has been given. We are waiting for Information Minister Herve Denis' explanation. There have also been rumors that the arrival of some foreign legislators was also canceled, for security reasons. This too needs to be verified.

This morning, Dante Caputo, international mediator-representative of the UN/OAS, accompanied by some western diplomats, met with members of the government. Dante Caputo looked positive by the end of the meeting, but did not comment. In any case, we are now three days away from 30 October, and it seems more and more uncertain whether President Aristide will be able to return.

There are also rumors of the possible resignation of Prime Minister Robert Malval. This needs to be confirmed by the government. It should be recalled that the prime minister himself had stated that he would resign if on 30 October, President Aristide did not return to power. The following day, his information minister explained that so long as the Governors Island agreement remains in force, the government will remain in office. All of that should be verified, confirmed by the official voice of the government by Robert Malval.

The government is meeting right now in a ministers council. The information minister is here, the finance minister arrived a while ago, the minister of public health [as heard], and Commerce Minister Dejoie just left. We are here at the residence of the prime minister. We will keep you informed on the development of negotiations and talks that are being held at the residence of Prime Minister Robert Malval. This was mobile unit 17.

[Paris AFP in Spanish at 1621 GMT on 27 October reports that a military source said that "Malval's secretariat informed the High Command that the meeting had to be postponed to a later time or date because the prime minister had to receive members of the international community at the time the meeting was initially scheduled."]

Deputies Postpone 26 Oct Session to 27 Oct

FL2710180993 Port-au-Prince Signal FM Radio in French 1030 GMT 27 Oct 93

[Report on session at the Chamber of Deputies on 26 October by Daly Valet—recorded; passages within italics in Creole]

[Excerpts] The Haitian Parliament attempted to sit on 26 October to vote two crucial laws aimed at getting the process of returning to democracy in Haiti out of deadlock. In this race against the clock, the parliament's meeting scheduled for 26 and 27 October took on a particular importance because the parliamentarians had to debate two bills aimed at satisfying the requirements of the two camps. Let us listen to a report by Daly Valet who was on the scene.

[Valet] *The roll call started at about 1300. Thirty-six deputies were present. At about 1500, there was a second roll call that showed 40 deputies present. One deputy was lacking for a quorum. Deputies left and went home. The session was eventually postponed following a decision by President Antoine Joseph. The reasons why there was no session on 26 October were numerous: many National Front for Change and Democracy [FNCD] parliamentarians were not present because of the security problem. But in the opinion of Deputy Rita Frederic Moncoeur [of the Union for National Reconciliation] who looked indignant, it is the fuel problem that prevented the session from taking place on 26 October.*

[Moncoeur] *...because the deputies do not have fuel (?for their transportation). As far as I am concerned, I made efforts to come. I entered [Port-au-Prince] this morning at 1130. Until now, all my luggage is in the car, I have not yet gone home. The people living in my home do not even know yet if I am here. I have come to attend the session. But there are some who do not have the means to come due to the fuel problem. I agree that there is an embargo and that fuel has been blocked, but if the fuel is within the country, I do not believe it is reasonable to block what the state has already paid for. If the government really wants something to be done, it must release the fuel so the parliamentarians can come.*

[Valet] *Several deputies of the Socialist Bloc and of the Alliance [for Parliamentary Cohesion, ACP] Bloc were present. But they waited for a new convening order by the president of the Republic in vain, which made Deputy [Frantz Robert] Monde angry and to say that after 30 October the Aristide file will be closed so the president of the Court of Cassation can take power and hold new presidential elections.*

[Monde] *On 26 October, we were supposed to receive the president's convening order [words indistinct]. But it has not come. What are we going to do?*

[Valet] *Mr. Deputy, what has not come?*

[Monde] The new convening that Aristide should have sent to convene the parliamentarians because as far as we are concerned, we are on vacation.

[Valet] *So, you think that as long as this convening is not done, you will not be able to vote the amnesty law?*

[Monde] No, [words indistinct] by the entire international sector, if he does not do it... [rephrases] If Aristide does not come on 30 October, it is over, it is over.

[repeats] no force in the world can [words indistinct] again. One is fed up. Everyone knows he is crazy. I am personally fed up.

[Valet] *Well, Mr. Deputy, what do you think about the statement by Dante Caputo, who said that if the return does not take place on 30 October, it will take place on 5 or 10 November?*

[Monde] [Words indistinct] Caputo. I said that. Ask.... [changes thought] Buy an Argentine for what he is worth, then sell him for what he pretends to be, and you will have a good bargain. [words indistinct]

[Valet] *So, Mr. Deputy, you think that after 30 October everything will be over and that the Governors Island Agreement will be over?*

[Monde] *Yes, yes, the president of the Court of Cassation assumes power until new elections.*

[Valet] *As regards Chamber of Deputies President Antoine Joseph, it was the same wait, the same disappointment, the presidential order for the vote on the amnesty law which has not yet been published, that is the 30 October event is more and more mortgaged. [passage omitted] As long as this convening is not done, the amnesty law will not be voted?*

[Joseph] *Well, indeed because there is a blocking, because if you refer to Articles 107 and 107.1 of the Constitution, even though it is permanently sitting, the senate is already in extraordinary session—the Senate and the Chamber of Deputies constitute what is called the legislative body—and the Senate cannot work on any laws other than the laws for which it was convened [sentence as heard]. Consequently, if the message including the resumption of the 10 September order came, that would allow the Senate to start working on the amnesty while we would finish up the law on the creation of the new police force.*

[Valet] *The appointment has been set for 27 October if there are no stalling maneuvers. What remains clear is that without a new convening order by the president of the country, nothing will be decided at the parliament and without the presence of all FNCD deputies there will never be quorum especially because there is a lack of political willingness on the part of the ACP parliamentarians as to the realization of the 30 October event, according to some parliamentarians close to the government. Daly Valet for Signal FM.*

Cedras Protests to Malval on Ships in Haitian Waters

FL2710213193 Port-au-Prince Radio Metropole in French 1600 GMT 27 Oct 93

[Text] General Raoul Cedras protests the presence of foreign ships in Haitian territorial waters. In a letter to Prime Minister Robert Malval, General Cedras explains that the presence of these ships violates the United Nations convention on sea rights, a 1982 convention that Haiti signed.

The Army commander in chief mentioned a commotion among the Lamantin population when a ship was observed facing the Lamantin beacon. General Cedras indicated that this fact could have given way to unfortunate hostile reactions.

Government Not Advised of Suspension of Jonassaint Order

FL2710205193 Port-au-Prince Signal FM Radio in French 1700 GMT 27 Oct

[Text] The most senior member of the Port-au-Prince Court of First Instance, Justice Henock Voltaire, has ordered a stay of the 7 September order pensioning off the president of the Court of Cassation, Justice Emile Jonassaint. The Rue du Centre daily [LE NOUVELLISTE], in an article published in its 26 October issue, points out that the order of Justice Voltaire, who has been acting as judge to deal with matters of special urgency, is dated 13 October, which was the day before the assassination of Justice Minister [Francois] Guy Malary. Justice Voltaire was quoted as saying that in a state of law, this situation results from the state's submission to a juridical order ruling out anarchy and private justice.

As of yesterday, 26 October, the Haitian Government, defendant in the proceedings, had not been notified of the order. Questioned by LE NOUVELLISTE, one of Justice Jonassaint's lawyers explained that it was because of the mourning ordered by the bar, following the tragic death of the justice minister, that the opposing party had not been notified of the order.

Aristide Will Not Return on 30 Oct

FL2710214693 Port-au-Prince Radio Metropole in Creole 2000 GMT 27 Oct 93

[Excerpt] The latest information we just received is that President Aristide is not returning to Haiti on 30 October. The UN spokesman in Port-au-Prince, Eric (Fale), made this statment to Agence France-Presse. Unfortunately, said the spokesman, 30 October will not see President Aristide in Haiti. However, what counts is allowing him to return as soon as possible.

According to the NEW YORK TIMES, the U.S. Administration had concluded just a few minutes earlier that if President-in-exile Jean-Bertrand Aristide returned as planned on 30 October, he would be risking his life. [passage omitted]

Union Calls 24-Hour General Strike for 29 Oct

FL2710220793 Port-au-Prince Radio Metropole in Creole 2000 GMT 27 Oct 93

[Excerpts] The Union of Independent Public Drivers is launching a general strike for 29 October to prompt the government to make advances to the international community regarding the oil embargo. Guilloto Francois filed a report:

[Begin recording] The Union of Independent Public Drivers has launched a 24-hour general strike throughout the Republic for 29 October. The union decided to block all activities in the country on 29 October to pressure the government of Prime Minister Malval to intervene with the oil companies to allow Haitian dealers to deliver oil to the Haitian market. In a statement today, the union invites various sectors, such as manufacturers, businessmen, and students to stay home as a sign of protest to the Malval government. [passage omitted].

The Capois La Mort organization, affiliated with FRAPH [Revolutionary Front For Haitian Advancement and Progress] supports the strike. Last week, when the government declared three days of mourning for the justice minister murdered on 14 October, the organization invited everyone to go about their business. The Capois La Mort then stated that political matters should not disturb national activities.

The Union of Independent Public Drivers, the main organization to launch the 24-hour strike on 29 October, stated that its members met on 26 October with Commerce Minister Louis Dejoie II who guaranteed the union that oil would be in the gas stations this week. So far, commerce minister's promise has not been kept. That is why the union has decided to take action, according to its members.

At the beginning of the week, the Association of Oil Distributors, ANADIP, had announced that the institution had sent a judicial summons to three oil companies—Shell, Esso, and Texaco, which have so far not given any signs to the Haitian dealers. [passage omitted] [end recording]

Army, Government Disagree Over 3 Points of Agreement

PA2810024093 Madrid EFE in Spanish 0141 GMT 28 Oct 93

[Report by Herold Jean-Francoise]

[Text] Port-au-Prince, 27 Oct (EFE)—A new controversy arose today between the Haitian Army and Prime Minister Robert Malval's government regarding violations to the agreement signed at Governor's Island, New York, on 3 July to settle the crisis, which has prevailed in Haiti for three years.

President Jean-Bertrand Aristide was ousted by a group of military officers on 30 September 1991.

A communique delivered to the media this evening by the General Staff Secretariat denies a report from the government, published on 26 October, accusing the military of violating three points (five, seven, and eight) in the agreement.

The three points involve: international cooperation, which implies technical aid for an administrative and judicial reform; modernization of the Armed Forces; and the creation of a new police force with the presence of UN personnel.

The military are also accused of violating the adoption of a law for the creation of a new police, the appointment, by the president of the Republic, of the new police chief, and General Raoul Cedras' retirement from the post of Armed Forces commander.

The military forces' note stated reinstatement of sanctions against the country is the result "of a report from Special UN envoy Dante Caputo, who stated unilaterally and without granting the right to an appeal that the military corps violated the pledges assumed by the Armed Forces commander at Governor's Island."

The General Staff Secretariat said a government communique had stated the atmosphere of violence began when the government was installed.

The Haitian military high command reported the alleged strategy, aimed at holding the military corps entirely responsible for the reinstatement of the sanctions.

The military believe the partial suspension of sanctions is a violation of point four in the Governor's Island agreement, which states that the United Nations must suspend the sanctions imposed on Haiti on 23 June and other measures adopted by the OAS.

They consider that the noncompliance with point five, concerning the deployment of a technical mission, is a responsibility of the government, which failed to start a campaign of information for the Haitian people.

The military leaders said that point six of the Governor's Island agreement was not complied with, because Parliament has yet to be summoned.

The sixth point stipulates that Aristide will grant an amnesty to be approved by the Haitian legislators. The military desire, however, that this amnesty be expanded to cover more than political crimes, but Haiti's Constitution does not recognize the president's right to grant amnesty to the perpetrator of a nonpolitical crime.

According to a communique issued by Prime Minister Robert Malval's government on 26 October, the president made good his pledge regarding point six of the Governor's Island agreement. The Haitian military say the amnesty law was forgotten—no one knows why—in Parliament's first convocation. The military wonder whether the Army can grant amnesty to itself and is guilty of this violation.

According to the institution, the military are not to blame if the Assembly did not pass into law the proposal to create the new police. They point out that the deputies who stayed away from the country too long are to blame. They also point out that point eight of the agreement, dealing with Cedras' resignation, has not been violated, because the commander "has scrupulously kept his word."

"The procedure seems to have been blocked by a clear determination to sidestep the Constitution and the Armed Forces regulation," the Haitian Armed Forces Staff Secretariat stated. The office said that the resignation of another Army member is referred to nowhere in the agreement, clearly alluding to the demand for Police Chief Colonel Michel Francois' resignation; nevertheless, the point in the agreement which establishes the creation of a new police stipulates that the president will appoint a new commander.

Jamaica

Trade, Investment Mission Departs for Far East

FL2610160893 Bridgetown CANA in English 1554 GMT 26 Oct 93

[Report by Garfield Myers]

[Text] Kingston, Jamaica, Oct 26, CANA—Jamaica, seeking to boost trade and investment ties with the Far East, has dispatched a high level public and private sector mission on a three week tour of South Korea, China, and Hong Kong. The mission, which left here monday [25 October], is headed by foreign affairs and foreign trade minister, Dr. Paul Robertson.

According to a statement by the Jampro, the government's promotion agency, the visiting Jamaican representatives will be seeking to encourage Far Eastern entrepreneurs to invest in industries here including apparel and footwear, non-metallic minerals, agriculture, plastics, watch assembly, packaging, and aquaculture. Expanded markets will also be sought for Jamaican goods including gourmet foods, alcoholic beverages, and spices.

Meetings with individual business groups and potential investors, as well as seminars dealing with "business opportunities in Jamaica" will be held in all three countries.

The highlight of the delegation's visit to South Korea will be the celebration of Jamaica's National Day on October 30 at the Taejon Expo. Each participating country in the international exposition is awarded a "national day" during which it is the focus of attraction. Robertson will deliver the main address at a special reception, and Jamaican singer Ernie Smith will provide entertainment throughout the week.

The Taejon Expo, often referred to as "the Olympics of Science and Technology," is being used to launch a global effort to help find solutions to the problems of industrialization. Over 100 countries are participating and according to Jampro, indicators so far show that the projected figure of 10 million visitors will be surpassed.

In China, meetings will be held with officials of the Ministry of Foreign Trade and the Economic Cooperation in the capital, Beijing, and with entrepeneurs and municipal leaders in Shanghai, Guangdong, and Shenzen.

Explaining the reason for mounting the three-week mission to the Far East, Jampro said: "These countries have now outgrown their traditional status as offshore assembly locations and are now emerging as aggressive players in the competitive global marketplace.

"Armed with appropriate technology and adequate capital, these countries are determinedly establishing themselves as important sources of foreign direct investment and new trading opportunities."

Other members of the mission are minister of state in the Ministry of Industry, Tourism, and Commerce, Karl Samada; Jampro chairman, Claude Clarke; Jampro President Polly Brown; Jamaica's ambassador to Japan, Derick Heaven; Nathan Richards, president of the National Development Bank of Jamaica and chairman of the National Investment Bank of Jamaica; Ransford Smith, of the Ministry of Foreign Affairs; and private sector members Yuet Chang of Ernst and Young International; Richard Fontaine, president, Fraser, Fantaine, and Kong; Heinz Simonitsch, managing director, Half Moon Club; and Alfred Hugh-Sam, managing director Halsam Manufacturing.

* Deficiencies Seen in NAFTA Side Agreements

94CA0020A Mexico City LA JORNADA in Spanish 30 Sep 93 Labor Supplement pp 3-4

[Hector de la Cueva commentary: "Side Agreements: Freedom of Trade and Investment Without Social Counterweights"]

[Text] After more than six months of negotiations the governments of Mexico, the United States, and Canada have finally signed the so-called side or supplementary agreements to the Free Trade Agreement (FTA) in the areas of labor relations and the environment. The signing was staged with all of the pomp needed to convey the impression that social concerns had been taken care of, thus signaling the start of the home stretch in the ratification of the FTA, which looks to be particularly thorny in the United States.

To the disappointment of those sectors that hoped that the side agreements would ward off some of the adverse effects of the FTA, these agreements, particularly the labor one, have turned out to be harmless instruments tightly controlled by the government and incapable of applying a social counterweight to free trade and investment and to the unfettered, FTA-protected mobility of the transnationals. The most conservative and neoliberal views of the three countries ultimately won out, ironically that of Mexico in particular, that is to say, the view of the Mexican Government and its corporative organizations. We will take a look at this later on.

Some weeks before, there had been an equally noisy announcement that the negotiations were over. As I told the press at the time, this was the ending of a story that was unknown to the population, an ending without a movie. In spite of the quite strongly worded "clarifications" that Margarita Ortega, the chief of advisers to the FTA negotiating team, made concerning the broad national consultation that was held, in response to the article that the Mexican Network for Action on Free Trade (RMALC) published in LA JORNADA, the fact is that the negotiations on both the FTA and the side agreements were always conducted in the utmost secrecy. In the case of the labor and environmental agreements, the secrecy was all the more scandalous, given their indisputable social significance. The labor and environmental interests of the inhabitants of the three countries were put at risk without the slightest input from social players.

To understand the logic underlying the negotiation of the agreements, we need to remember that social issues were initially altogether excluded from the FTA. In particular, the Mexican Government, in reply to those of us who pointed to the obvious social repercussions of the agreement, always said that only trade was being discussed and that other considerations would not enter into it for any reason. We already know the rest of the story: the Mexican Government had to sit down and negotiate the labor and environmental agreements as soon as the new Clinton administration, in response to protectionist interests or social pressures, tied the FTA to talks on such agreements; in other words, once again the Mexican Government was responding to pressures coming out of Washington, not domestic pressures. That social issues were finally being considered thus seemed to be a gain. Nevertheless, it was just a facade, just window dressing for the FTA.

Although I felt that even excellent side agreements would not alter the nature of the FTA, at meetings with Herminio Blanco, the undersecretary of commerce and head of Mexico's negotiating team, I presented the proposals that make up what I call the "social agenda." Besides labor and environmental considerations, I indicated in particular that there were other issues of vital importance to Mexico that ought to be included in the negotiations, such as the creation of compensatory economic mechanisms to mitigate inequalities or asymmetries, and migration. Mexico, I said, could score some "goals" in the negotiations too. I was told, however, that no issue that would hamper or delay the implementation of the FTA would be included. This was always the Mexican Government's guiding approach in the negotiations: not to further the social interests of Mexicans but instead to get out of the bothersome predicament of the side agreements and narrow their scope to a minimum.

The Initial Texts

Before analyzing the final text of the labor agreement, we should quickly compare the initial texts that each country submitted so that we can track the course of the negotiations.

Once again, whether for protectionist or interventionist purposes or owing to pressures and input from U.S. unions, there was a strong contrast between the text proposed by Mexico and the one submitted by the United States, as the latter contained much more advanced items. For example, unlike the U.S. proposal, the Mexican text failed to make a clear, systematic, and structured mention of the labor rights to be protected. It made no mention either of not using low labor standards as a competitive factor, or of the need for a dialogue among workers across borders, or of setting minimum regional standards, or of guidelines for establishing development mechanisms for the poorest regions.

Instead, the Mexican document time and again stressed respect for national laws and, this time yes, unequal conditions. During the FTA negotiations Mexico's laws did not matter much; all of the laws that had to be modified were, and Mexico refrained from really fighting for consideration of asymmetries. But when the time comes to demand certain labor standards, then we have to remind people that we are not equal. Likewise, the Mexican proposal stated that precautionary measures that might restrict domestic moves to prevent "macroeconomic destabilizations" (read "inordinate" wage hikes, for example) could not be taken.

One difference in Mexico's favor was that the Mexican text always cited the international conventions of the

International Labor Organization (ILO) as yardsticks, whereas the U.S. text did not even mention them. The RMALC had proposed starting precisely from the international labor-standards floor set by the ILO, most of whose conventions the United States has either not signed or not ratified.

The U.S. document emphasized the need for greater transparency in the administration of labor justice in each country, whereas absolutely no mention was made of this in the Mexican document. Likewise, the right to information was simply absent from the Mexican text.

In discussing the forums of the trilateral commission, the Mexican document emphasized that only the "most representative" employer and labor organizations ought to be invited to sit on the consulting bodies; we Mexicans know perfectly well what this means in the corporative tradition.

In conclusion, and this bears keeping in mind, the Mexican proposal merely called for the monitoring and possible correction of violations exclusively in matters of occupational health and safety. Let us look at how things turned out:

The Labor Agreement

Both the preamble and the first section of objectives proclaim praiseworthy intentions, such as creating new job opportunities; improving working conditions and raising living standards (as productivity rises); protecting, broadening, and enforcing the basic rights of workers; and promoting compliance with domestic labor legislations and transparency in the administration of labor justice, then referring to annex 1, which contains a list of labor principles.

The first problem to highlight is that the agreement is very careful to note that these principles are merely "guidelines" and in no way are minimum common norms. By and large, the establishment of regional standards has been rejected, in spite of the degree of integration and the unfettered mobility of corporations, which the FTA seeks to enhance.

Second, it is noteworthy that neither here nor anywhere else does the document make any reference whatsoever to the ILO conventions (except in the case of suggestions from experts). Mexico seemingly wound up yielding to the U.S. stand.

Third and most important, the goals outlined are not at all consistent with the rest of the document, the substantive part that has to do with implementing the agreement.

For example, in the second section, which sets forth the obligations of the signatories, Article 3, concerning the measures to enforce labor legislation, says that the parties must have labor inspectors and mediation, conciliation, and arbitration services. This is the big breakthrough. As if we in Mexico had not already grown tired of seeing how useless such inspectors are and how biased Conciliation and Arbitration Boards are in favor of the employers. It is an internationally acknowledged fact that Mexico's problem is not that it has inferior labor legislation but that it is poorly enforced. And the agreement leaves things as they are.

This same section says, of course, that procedures must not be unnecessarily complicated and that impartial, independent tribunals must be insured. It remains to be seen whether the Mexican Government is prepared to comply with this point, which represents a widespread demand by society at large, not just by labor.

The third part concerns the creation of the Commission for Labor Cooperation. We should recall the big debate that arose about the creation of a supranational commission and the scope of its functions. In fact, several sections of the FTA provide for this type of commission, which even has the power to penalize. The Mexican Government never warned the country about the risks that this could pose to national sovereignty. Only when its control over working conditions became involved did it make a big fuss about sovereignty. This is why it seemed to be more a defense of the corporatism that actually exists than a sudden defense of national sovereignty.

Finally, the commission will be structured as a council consisting of the three labor secretaries, a secretariat under the council (headquartered in Washington), and a national administrative office in each country under the respective government. In other words, the monitoring and promotion of labor rights in the region will be the responsibility of a strictly governmental commission. The individuals directly affected, that is to say, the workers, will lack representation altogether.

There is mention, of course, that the council can delegate responsibilities to committees, task forces, or experts and that the secretariat can create consulting committees, with representatives of society, for advisory purposes, but they will be appointed in keeping with the criteria of the governments and will not have any real decision-making power.

The fourth section, Consultations and Evaluations for Cooperation, raises the possibility of an Expert Evaluation Committee for matters that go unresolved in ministerial consultations. Yet this committee may examine performance only in regard to health and safety standards and "other technical labor standards." Likewise, the fifth section, on Conflict Resolution, specifies that the parties may take up only "persistent omissions" regarding health and safety, child labor, or compliance with national minimum wages. As for the creation of an arbitration panel to settle disputes, once again its role is restricted to the above areas, and it must also show that any violations or omissions have to do with trade and are covered in mutually recognized labor laws.

The Rules of Procedure clearly spell out the limits to labor-rights monitoring, as if this were necessary, proclaiming the Statement of Purpose of any arbitration panel: "To examine, in light of the applicable provisions of the agreement, including disputes in part five, whether there has been a persistent pattern of omissions by the respondent in the actual enforcement of the technical labor standards in occupational health and safety, child labor, or minimum wage, and to issue the conclusions, decisions, and recommendations referred to in Article 36."

In other words, for any specific purpose, the only rights or standards that would be protected under the agreement would have to do with health and safety, child labor, and national minimum wages. All collective rights or higher labor standards, save those set forth in general terms in the initial principles, are simply excluded from the agreement. We can thus be proud that this time Mexico, which wanted it this way from the outset of the negotiations, apparently saw its position win out. The neoliberals, who in the international debate on labor standards argue that only minimum standards can be stipulated, prevailed. For reasons of space I will wait until a future article to take up this theoretical debate on international labor standards linked to development and national economic models, a debate that predated and underlay the negotiation of the side agreements.

I should add that if a complaint or dispute had to go through the entire procedure indicated in the agreement, it could take more than a year to resolve.

Finally, the agreement does provide for possible penalties, which range from fines of up to $20 million during the first year the agreement is in effect to .007 percent of total trade between the signatory countries that are at odds. If these provisions are not complied with, FTA benefits may be suspended until the amount of the fine is covered; tariffs may be increased, and not necessarily just in the sector in which violations were committed. In other words, Mexico's opposition to penalties was not successful. The problem, however, is that the penalties will apply to the country that has allowed the infractions. The view of the RMALC was that the companies ought to be penalized, because limits and conditions must be set, in particular, on transnational corporations.

Outside the agreement, Clinton got Salinas de Gortari to promise to link higher minimum wages to productivity, something that he announced at the conclusion of the negotiations. The problem here first of all is that the big achievement of the agreement is that it honors the minimum wages prevailing in each country, which in Mexico means nothing. Second, the ceiling is no longer of any use and is even incompatible with the FTA. But no one knows yet how the new productivity parameter can be applied to determine the increases and whether in practice this is not going to mean a new ceiling, or whether the benefits of productivity are going to be apportioned outside of wages, and whether consideration will be given only to higher labor productivity, as the employers cleverly propose, not to the other elements involved in it. In any event, there is no call for the restoration of the buying power that was lost during the past decade, much less the leveling out of wages throughout the region, even though productivity in Mexico has quickly been approaching that of the United States, despite which wages have continued to fall or have been flat. The point is not just to have productivity increases reflected in wages from now on; it is also how to narrow the current gap.

In summary, the side agreement on labor in no way represents a social counterweight to the broad freedom of trade, investment, and mobility that the FTA guarantees and promotes for business. Mexico has strongly emphasized that dirty linen must be washed at home. But no one wants to wash it. Given the absence of channels to defend and promote labor rights in the region, the outcome of the side agreements shows more than ever that labor leaders from the three countries need to work together, since this is the only way to stop the transnationals, to oppose the lowering of standards from north to south, to press for a leveling up, and to protect each other's labor rights.

* Censorship, Ratification Process Linked

94CA0017A Mexico City EXCELSIOR in Spanish
7 Oct 93 pp 1-A, 10-A, 12-A

[Commentary by Colegio de Mexico internationaal relations specialist Lorenzo Meyer: "Indirect Political Censorship"]

[Text] What is censorship? More than a half-century ago political scientist Harold Lasswel defined it as a policy designed to "restrict the public expression of ideas, opinions, concepts, and impulses that have or are thought to have the ability to undermine the ruling authority...." (UNESCO Dictionary of Social Sciences, 1987, Vol. 1, p 361).

One of the issues that the Mexican press is discussing these days is political censorship, discreet, indirect censorship, but censorship nonetheless. Why might there be a policy of censorship today? Twenty-five years ago, in 1968 to be exact, Gabriel Zaid attempted to answer this question (DIALOGOS, January-February 1968, p 23). He started from this premise: "The word is a power, not a right. Censorship belongs to the realm of 'Realpolitik.'" There are some circumstances, Zaid says (most of them, I would say) in which government power is superior to the power of the word, but there are others (fewer, I would add) in which it is not. In this second case we are talking about those times when a writer can successfully challenge the authorities and prevail because society supports him, and repressing him would be politically costly, as happened at one point with Sartre and the French Government.

As for our country, Zaid noted: "Since the Mexican Government is above all a reasonably efficient administrative machine in the macroeconomic realm, merely

ideological or ethical issues are immaterial to it, as long as they do not harm its administrative monopoly." If Zaid's assertion is still valid, and I think it is, then this latest outbreak of censorship presumably shows that the ruling group is worried specifically about preserving its administrative monopoly, which it was on the verge of losing in 1988 and which it does not want to risk once again in 1994.

Government censorship of free expression in these times of the Free Trade Agreement (FTA) and democratic liberalism around the world is, to put it mildly, foolish. Yet this same censorship on the eve of "the times of 1994" could well be an irresistible temptation. Therefore, if there is censorship, we must conclude that the censors feel that allowing the opposition and a handful of critics access to the mass media (radio in this case) is more costly than the possibility of tarnishing their good image overseas.

The country's overseas image is important at this juncture of the negotiations with the United States. Sowing the suspicion of censorship in times of triumphant democracies in Latin America could be bad business in the strict sense of the word: it could adversely affect the major investment ($40 million or more) than the government has made to convince the U.S. Congress to pass the FTA. The suspicion of censorship would give ammunition to those who argue that the United States must not absorb a Mexico that is not really modern, liberal, and respectful of its own legal framework.

As we well know, one of the arguments that the enemies of the FTA in the United States cites in opposing it (perhaps only as a cover for protectionism) is that the United States cannot accept economic integration with a country whose political foundations are not democratic. As an example we need only listen to what one influential figure in the lower house of the U.S. Congress, Richard Gephardt, has said. The congressman has asserted that he is not opposed to his country and Mexico entering into a Free Trade Agreement, but that this should happen when there are "free elections and respect for labor rights" in Mexico (EL UNIVERSAL, 30 September). With censorship there are no free elections.

Today, the opponents of the FTA could, if they wished, justify their mistrust of the nature of the Mexican Government by pointing to the complaints about government pressure on the managers of radio stations and newspapers to restrict the access of the main opposition candidate, Cuauhtemoc Cardenas, to these media, and to the existence of a "black list" of political commentators who are critical of the system. The most disturbing of these complaints comes from journalist and political commentator Miguel Angel Granados Chapa. In a recent series of articles he pointed to the General Directorate of Radio, Television, and Cinematography (RTC) of the Interior Secretariat as the source of pressures on Nucleo Radio Mil to refrain from invitations such as the one that Granados Chapa extended on 20 September to Cuauhtemoc Cardenas to appear on the news program, "La Ciudad," that he hosted. In response to the demand by executives at Radio Mil to screen the guest list and control program content, Granados Chapa decided to quit a radio program that he had agreed to host just a few months before. But there is more, according to the journalist. There was a "black list" of five political commentators who were not to be invited to his radio show: Jorge Castaneda, Adolfo Aguilar, Mariclaire Acosta, Demetrio Sodi de la Tijera, and this author (EL FINANCIERO, 29 and 30 September and 1 and 3 October).

The director of the Interior Secretariat's RTC first denied Granados Chapa's assertion and attributed his departure from Radio Mil to ratings problems (LA JORNADA, 30 September). Later, the interior secretary himself denied that his secretariat imposed issues or guests on radio stations (EL FINANCIERO, 2 October). Then, none other than President Salinas told the newsman that the government had had nothing to do with his departure from Radio Mil. Finally, the manager of Radio Mil, in a letter to the Interior Secretariat that it made public, reaffirmed what the secretary and the president had said: censorship had nothing to do with Granados Chapa's resignation, because there is no censorship at Radio Mil (LA JORNADA, 3 and 4 October). In the face of contradictory accounts like these, the only choice is to evaluate the credibility of each party. Unfortunately for the government, in this arena Miguel Angel Granados Chapa comes out ahead. The journalist is supported by a long career and by the fact that his only asset is precisely his credibility.

In contrast, the government suffers from a long-standing credibility gap. Ever since the regime's origin officialdom's political discourse has been characterized by its wide detachment from reality. Moreover, the origin of this particular administration was totally lacking in credibility: the 1988 elections.

Personally, I can say only that I can count on the fingers of one hand the invitations that I have received to appear on commercial-radio programs. By coincidence, however, one of them came on the very day that Miguel Angel Granados Chapa published his "black list" of radio outlaws. So I was able to voice my opinions on a morning news show about several negative features of our electoral system. Yet almost a week before that I had gotten an invitation to be interviewed on 1 October concerning the events of 1968. That invitation was canceled 10 hours before the show "because it was impossible to get all of the guests together." What am I to think?

In recent times commercial radio had become relatively pluralistic on political issues and had drifted away from the realm of "Soviet-style" control and self-censorship called commercial TV. It is not preposterous to think that on the eve of 1994 some high level of the bureaucracy decided to bring radio back to the path from which it had departed. And there is no better way to do this than to make full use of all the government's prerogatives

in this field, up to and including forcing licensees to choose between profits and political pluralism. Anyone can easily predict what the choice will be.

Censorship is a very old institution. The office of censor was established in 443 B.C. in Rome. On the one hand, it conducted population censuses; on the other, it kept an eye on public morals. Censorship before, then, and after, and everywhere has as its purpose to mold the character of citizens in accordance with the regime's needs. Censorship came to Mexico with the Conquest: the Inquisition. The mission of the Holy Office in Spain and here was to protect the purity of the faith in a world full of recent converts (Muslims and Jews) who were looked on with suspicion. And nothing could stop it: in 1500, for example, Cardinal Cisneros condemned to bonfires one million books that were considered inappropriate.

British liberalism first and then the individual rights proclaimed by the American and French revolutions placed the institutions of censorship on the defensive. For a time the totalitarian regimes of the 20th century restored their vigor and legitimacy, but today censorship is again on the decline; it exists but is illegitimate.

With Independence some things changed in Mexico, but not censorship. In her research work "La prensa censurada, durante el siglo XIX" [Press Censorship in the 19th Century] (1976), Maria del Carmen Reyna tells us that "there were always more restrictions on than freedoms of the press." It so happened that when the liberals consolidated their hold, prosecutions of the press increased, not decreased. The grounds for such trials, which often ended with fines or prison terms for journalists, were typically newspaper accusations against public officials. The Porfirio Diaz regime was particularly hard on those who criticized it in the press, but was relatively generous with subsidies for those who served it, as Daniel Cosio Villegas clearly showed in the section of his "Historia moderna de Mexico" [Modern History of Mexico] (1972) devoted to Porfirio Diaz's domestic policies.

The regime of the Revolution punished Diaz harshly for his constant battle against the opposition press, and Madero accepted genuine freedom of the press as a policy. This was not the approach of those who followed him, however. Article 7 of the Constitution of 1917 declares "inviolable the freedom to write and publish writings on any subject." Practically from the outset, however, the new regime adopted a mass-media policy that was a combination of co-option and pressure to bend them to its will.

In "Vecinos distantes" [Distant Neighbors] Alan Riding, who for several years was a NEW YORK TIMES correspondent in Mexico, says that although freedom of expression has gained ground since 1970, the corruption of newsmen, newspapers' need for newsprint and government advertising, and the need to keep government radio and television licenses make the media highly dependent and vulnerable. Thus, according to Riding: "The information media devote a substantial portion of their daily coverage to promoting the president and his administration, while discreet telephone calls from the Interior Secretariat insure that news the government does not welcome is disregarded or treated very blandly" (pp 82-83 in the English language edition).

In conclusion, let us return to Gabriel Zaid's argument ("The word is a power, not a right"). In Mexico those of us who use words in the mass media have only the power that society indirectly conveys to us, by reading, listening to, or (more unlikely) supporting us. So, this is a weak, very weak, power.

Officials React to New Canadian Position on NAFTA Approval

PA2710203493 Paris AFP in Spanish 1814 GMT 27 Oct 93

[By Gerardo Tena]

[Excerpts] Mexico City, 27 Oct (AFP)—Canadian Prime Minister-designate Jean Chretien's desire to renegotiate the North American Free Trade Agreement [NAFTA] with Mexico and the United States makes it "even more unlikely that the treaty could be approved for implementation in 1994," the Mexican Action Network on Free Trade, RMAFLC, [Red Mexicana de Accion Frente al Libre Comercio] told AFP.

Bertha Lujan, president of the RMAFLC, added that if the Canadians want to renegotiate, "we would have to think about a new NAFTA" to replace the one already signed by the three governments last December, which is awaiting approval by the U.S. and Mexican Congresses. The Canadian Congress had already approved it.

Jaime Serra Puche, Mexican commerce and industrial development secretary, reiterated on Tuesday that there will not be any changes to the trade agreement because the negotiations are closed. As for the announcement made by Chretien today that he wants to renegotiate the agreement, the Mexican Commerce secretary, when asked by AFP, made no comment. The Presidency Press Office also had "no comment" at this time.

A government source said that President Carlos Salinas spoke with Chretien over the telephone about the various topics in their bilateral agenda, including NAFTA, but "without going into details."

Lujan said Mexico's position not to reopen the negotiations "is losing strength" because we are talking about a pact among three parties. She noted that if the Canadians maintain their position, the position of the U.S. congressmen who oppose the NAFTA will be strengthened. [passage omitted]

Lujan said the Canadian position presents two possibilities: A renegotiation could result in more pressure on Mexico, "contrary to the people's interests," in which case the Mexican Government should "close ranks" with

social sectors or not sign any agreement. According to Lujan, the other possibility is that NAFTA will be better "for us and for the others" by including the unions' demand for an annex on labor rights for workers in the region.

Lujan said that in the long run it will be better for Mexico if NAFTA is not approved as it is, because it "reinforces a model of growth that favors the same groups: the great capitalists. In addition, he said, it can consolidate the scheme under which Mexico is seen "as a country for assembling parts, a source of cheap labor, and a place for U.S. companies to dump garbage."

Lujan added that short term economic risks are related to the stock market and a recession in foreign investments.

In the political field, if NAFTA is not implemented in January, it would be a "political blow" for the Salinas administration just 10 months before general elections in Mexico.

Border State Governors Cited on 'Operation Blockade'

PA2710232693 Paris AFP in Spanish 1904 GMT 23 Oct 93

[Text] Mexico City, 21 Oct [date as received] (AFP)—Ernesto Ruffo, governor of the Mexican State of Baja California, told the media on 23 October that "Operation Blockade" and the possible militarization of the U.S.-Mexican border are prompted by "economic hardships in the two countries."

On 20 September the Border Patrol imposed "Operation Blockade" in El Paso (Texas), across from the Mexican city of Ciudad Juarez, seeking to stop the flow of illegal immigrants and alleged criminals. The Mexican Government sent a protest note to the U.S. Government and managed to get the topic included on the Binational Commission's agenda.

Ruffo, who is a member of the conservative National Action Party (PAN)—the second largest political party—said U.S. authorities fervently desire to "control the flow of border immigrants," because they have "a current unemployment problem."

Francisco Barrio, another PAN member and governor of the State of Chihuahua, believes that Mexico rather than the United States must provide a solution to the immigration problem, because "to want somebody else to take responsibility for our problems does not do much for our self-respect."

Both Baja California and Chihuahua States are located on the border with the United States, and some of their border cities are the main points of entry into the United States for illegal immigrants from Mexico and other countries, who mostly move north looking for jobs.

Barrio expressed his rejection of a strong official protest from Mexico, because "it would only create antagonism between the two countries when they should be building a constructive relationship."

Various sources have considered U.S. measures to control the flow of immigrants as racist and unjustifiable, because, these sources argue, illegal immigrants are a major source of labor and consequently make a significant contribution to the U.S. economy.

In this respect, Ruffo stated that "I have not felt that there is an intentional racist attitude on part of the United States."

While "Operation Blockade" is taking place, the Mexican and U.S. Governments are continuing efforts to obtain the approval of NAFTA in their respective legislative bodies so that the treaty can be implemented as of 1 January 1994.

NAFTA supporters argue that once the treaty is in effect, the flow of immigrants who go north looking for jobs will decrease. Some polls reveal, however, that many Mexicans mistakenly believe that NAFTA will allow people free movement to seek work in the United States.

Last September Pete Wilson, governor of the (U.S.) State of California, asked Mexican authorities to help stop the immigration flow, not only of Mexicans but also of all the other foreigners who use Mexico as a bridge to enter the United States. His request was denied.

Several U.S. sectors are still pursuing ideas to strengthen control of the borders. One such idea, which has caused uneasiness, is the possible deployment of the National Guard along the 3,000-km border between Mexico and the United States.

Deputies Visit Border Area

PA2710004093 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 25 Oct 93

[Reports by Melina Villasana and Patricia Serrano; from the "Good Morning" newscast]

[Text] [Villasana] A group of deputies has travelled to the Ciudad Juarez-El Paso border area on a working tour. They will analyze the situation in the area after the implementation of Operation Blockade. Maria de los Angeles Moreno, the Chamber of Deputies president, reported that they will work on the implementation of actions with the U.S. counterparts.

[Begin Moreno recording] A large group of deputies went to the border to obtain information and meet with several key people on border issues between Mexico and the United States. They will prepare a report, give suggestions, and will meet with their counterpart in the Mexican Executive Branch—the Foreign Secretariat. This, will probably result in several actions. [end recording]

[Villasana] In her statements at the closing of the first Ibero-American Parliamentary Libraries meeting, Deputy Moreno reported that the legislators will gather several viewpoints on the measure and will try to find a negotiated solution.

PAN [National Action Party] Deputy Francisco Jose Paoli considered it of great concern to see that, at the time that attempts are being made to get the approval of the North American Free Trade Agreement, actions are made to hinder this approval or make it more difficult.

[Serrano] [Words indistinct] El Paso, Texas, to demand that Operation Blockade, which is implemented by the U.S. Border Patrol in this area mainly, be ended. For approximately 15 minutes, the Institutional Revolutionary Party [PRI] members, who joined their hands, held up posters that read: No to the blockade and fair treatment to illegal immigrants. The participants also released green, white, and red balloons as evidence of the struggle to attain respect for our fellow nationals.

Members of the Catholic Church have asked the Mexican Episcopate to speak out against the blockade and the wire fences on the U.S. side because they are a manifestation of inhumane treatment against the immigrants without documents.

Mexican legislators who form part of the Chamber of Deputies' Sub-Committee on Border Affairs are in Chihuahua to talk with Mexican Consul Armando Ortiz, U.S. Consul Richard Peterson; Teresa Yardy, delegate of the Attorney General's Office in Chihuahua; and Border Patrol Commander Sylvester Reyes to analyze Operation Blockade and to find a solution suitable to both countries.

Salinas Urges Unity in Fight Against Trade Protectionism

PA2710160393 Mexico City NOTIMEX in Spanish 2140 GMT 26 Oct 93

[Text] Mexico City, 26 Oct (NOTIMEX)—Mexican President Carlos Salinas de Gortari today appealed to the world's stock exchange leaders to invigorate international cooperation and the world economy to promote trade growth. Salinas said at the Los Pinos presidential residence that economic sluggishness in industrialized countries is adversely affecting world trade and reduces growth opportunities for less developed countries.

Opening the 18th annual conference of the International Organization of Stock Market Commissions, the president said that for the fifth consecutive year average economic growth in the most industrialized countries was below 1.5 percent. Salinas cautioned: "Under these circumstances, gaps between nations grow, trade provisions deteriorate, and efforts to help national economies adapt to the new international situation are limited." He noted: "We are witnessing the economic globalization of markets. The competitiveness of the past, based on possession of natural resources, territorial extension, and salary levels, is over."

The president of Mexico said that right now doors are opening to the new trend, which sees in education, training, production flexibility, and creativity the most powerful ammunition for peace and competitiveness as the 21st century begins. He said that international cooperation is increasingly important. He noted that the principal impact of the Cold War's end is not limited to the political world; it also affects economic and social issues. He added: "Points of reference have been lost. While it is true that this affords opportunities for peace that were once inconceivable, it is also true that regional conflicts characterized by racism and intolerance have surfaced."

The chief of state said it is necessary to have a new world initiative based on the successful conclusion of GATT's Uruguay Round in order to efficiently fight protectionism and consolidate economic zones. These, he said, "must aim at strengthening regional exchanges, not at becoming free trade zones closed to trade with other regions of the world." Salinas de Gortari noted that the world economy's new organization and structure has not yet found an adequate means of checking huge financial and commercial imbalances between the North and the South or a way of launching a new era of general growth. The president said he is certain that international cooperation "is the most realistic way, in today's world, of meeting challenges faced by the financial system."

Speaking to stock exchange representatives from the United States, Canada, Argentina, England, and Japan, among other countries, Salinas listed the achievements and objectives of the Mexican economy. He noted that Mexico wants to export products, not people, within the framework of the intense commercial relations that implementation of the North American Free Trade Agreement will represent for the country. The president said Mexicans "want free trade, not help," in order to generate well-paying jobs and more productive investments in the country. He noted that trade relations, as outlined in the treaty negotiated by Canada, the United States, and Mexico, amount to over $80 billion. Salinas said that Mexico's economic viability "is based on domestic efforts." He said that Mexico accepts today's challenges, "which consist of increased competitiveness in production and of preparing for the challenges of the new global system."

Salinas recalled that through strict fiscal policies Mexico has been able to eliminate a public deficit of up to 15 percent of the GNP and to generate a budget surplus for the second consecutive year. The president said that with the participation of all social sectors it has been possible to eliminate inflation without creating a recession. Salinas said that Mexico's foreign debt represents 12 percent of the GNP and that domestic debt represents 10 percent. He explained that spending on social programs amounts to more than 50 percent of the budget, "none of which has created any inflationary pressure." The president said that the fact of the national economy's growth, which has been encouraged by domestic and foreign investments, "is apparent in the continuous growth of our still young but dynamic stock market."

Before declaring the conference open, Salinas said that gold and culture were the historical discoveries in Mexico. "The gold was taken away, but culture remained. Gold is fleeting; culture is permanent," he said.

The ceremony was attended by Mexican Finance Secretary Pedro Aspe; Oscar Espinosa, the general director of the National Finance Bank; Miguel Moreno, president of the National Stock Exchange; Martin Redrado, president of Argentina's Stock Exchange; and Jean Saint-Geours, from France's Stock Market Operations Commission. The conference will last until Thursday. Delegates will examine stock market trends and prospects.

Belize

Government Seeks Support Against Aggression, Traffickers

FL2710190193 Bridgetown CANA in English 1816 GMT 27 Oct 93

[Text] London, Oct 27, CANA—Belize's Prime Minister Manuel Esquivel has pleaded with countries in the Commonwealth to send troops to his country to assist it defending itself against possible aggression from neighbouring Guatemala and increasingly violent drug traffickers.

Esquivel made the appeal to other Commonwealth leaders during the just-ended Commonwealth heads of government conference in Cyprus.

His call came after last ditch attempts to get British Prime Minister John Major to reverse his government's decision to scale down its forces in Belize from 1,500 to around 200 by next October.

In a BBC interview, Esquivel said the idea was for Belize to establish a training school at one of the bases vacated by the British. It would have been used by troops from other Commonwealth countries to train in jungle warfare.

"What we are doing is trying to get a military interest in Belize. We feel that this is important because the more countries that have military interests in Belize, the more a positive signal this will be, whether it's to Guatemala or drug traffickers, that there are too many people to be offended for them to take chances," he said.

Britain announced in May that it was pulling most of its forces out of Belize because of what it said was the improved security situation in the region. This followed the end of the civil war in El Salvador and moves to end the thirty-year-long Guatemalan civil war.

Guatemalan President Jorge Serrano unilaterally announced in 1990 that his country recognised Belizean sovereignty and had started negotiations to draw up a final treaty to end the 150 year-old dispute between the two countries.

However, just after Belizean Prime Minister George Price had called a general election in June, Serrano moved to implement a so-called "self-coup" citing corruption in Congress.

But that led to his ouster from power and replacement by President De Leon. Right-wing forces inside Guatemala have again been referring to the "Belize question" and disputes about the border as a focus of dissent.

This has led to uncertainty in Belize. Esquivel's United Democratic Party was returned to power with a platform that included calling for the British to keep their full garrison in place.

Esquivel and his foreign minister, Dean Barrow, met British defence ministers in London last week for talks against a background of more cuts in the British defence budget.

The Belizeans have managed to secure a promise of a memorandum of understanding which will state Britain's willingness to support Belize's independence, and there remains the possibility that they will provide Royal Air Force helicopters as a first line of defence for their own troops and the 900 strong Belize Defence Force.

In his BBC interview Sunday, Prime Minister Esquivel said the situation inside Guatemala was still very much in a state of flux and uncertainty.

"We find this is a most in-opportune time for the withdrawal of British troops," he said.

He also said the pull-out would have a tremendous effect economically and lead to at least a five per cent drop in Belize's income.

"We are talking about the loss of about 350 jobs directly, not to mention the spin off effects. The British troops obviously spend money, and it might represent as much as ten million dollars a year to us."

Esquivel said Belize's efforts to inderdict the supply of Columbian cocaine heading for the United States and Europe would be seriously impaired by the British pull-out.

"Particularly now since there seems to have been a further shift from overland or aerial passage of drugs to more maritime passages. Belize at this time is quite incapable of patrolling our maritime areas," the prime minister said.

Costa Rica

Minister Goes to Washington 'To Overcome Differences'

PA2710171493 Panama City ACAN in Spanish 1524 GMT 27 Oct 93

[Text] San Jose, 27 Oct (ACAN-EFE)—In the next few days Costa Rican Foreign Minister Bernd Niehaus will travel to Washington to meet with Alexander Watson, assistant secretary of state for inter-American affairs, to overcome differences affecting relations between the United States and Costa Rica.

According to Niehaus, talks with Watson "must be frank and open." He added that Costa Rica feels "hurt" by Washington's decision to accept an "unjust" demand against his country filed by U.S. labor unions.

In addition to the suit filed by the AFL-CIO, Costa Rica will lose privileges within the General Preference System and the Caribbean Basin Initiative.

Based on those preferences, Costa Rican exports to the United States total more than $400 million a year duty free.

The suit was filed in June and was accepted by the U.S. Commerce Department one month ago.

The Costa Rican Legislative Assembly is currently working on several bills that will expand labor rights in the points questioned by the U.S. unions, hoping the suit will be withdrawn.

In addition to that subject, Niehaus will also discuss with Watson problems emerging from expropriations made to U.S. citizens in Costa Rica, as the indemnifications stipulated by Costa Rican courts have not always satisfied those whose properties were expropriated.

For the past few years Washington has kept $10 million in aid to Costa Rica frozen pending a resolution of those disputes.

Relations between Costa Rica and the United States, its main commercial partner, have reached their lowest point in the past few years.

Government To Abide by Expropriation Ruling

PA2810044893 San Jose LA NACION in Spanish 27 Oct p 4A

[Report by Yanancy Noguera and Marvin Barquero]

[Text] Despite the pressure exerted by the United States, through suspension of aid and trade benefits to the country, the government will strictly abide by national laws and pay the 44.5 million colones decreed by a judicial court in connection with the expropriation of a U.S. citizen's farm.

Although high-ranking Presidency officials, including President Rafael Angel Calderon, answered evasively when consulted about the case, they said that—given that this is a legal state—they will respect the arbitration court's ruling, and they will state this to the U.S. Embassy.

Both Calderon and Foreign Minister Bernd Neihaus have denied that relations with the United States had deteriorated as a result of this case.

LA NACION has learned that the payment of the 44.5 million colones will be made in two portions; one is included in the third special budget, 22 billion colones, submitted to the Legislative Assembly yesterday. The other portion is part of the 1994 budget.

The conflict arose because U.S. citizen Robert Justus Stone Arkanson refused to accept the arbitration court's ruling.

The U.S. Government supports Stone's thesis, according to a letter sent on 6 October to Presidency Vice Minister Alejandro Matamoros.

The letter implies a virtual suspension of U.S. aid, which could include preferential tariffs for our exports to the United States based on the Caribbean Basin Initiative (ICC).

The U.S. Embassy abstained from reviewing details about the letter, because it is official and private. The embassy issued a communique stating it respects national laws but trusts that a "prompt, adequate, and efficient" compensation will be paid for the expropriation.

It adds that its responsibility is to protect U.S. citizens' interests and report to Washington issues that negatively affect the atmosphere of investments in Costa Rica. The text says official discussions on the Stone case are continuing.

Two experts on national and international law, who opted to remain unidentified, agreed that a voluntary arbitration implies the two parties must accept the results of the process. That is why they consider there is no room for an additional administrative solution, as suggested in Vice Minister Matamoros' letter.

The official preferred not to issue a statement or predict that an administrative settlement might be sought.

Presidency Minister Rolando Lacle said the United States cannot adopt reprisals, because Stone accepted the arbitration therefore waiving the right to use diplomatic measures. Foreign Trade Minister Roberto Rojas said it will be difficult to implement commercial reprisals.

Gonzalo Facio, Costa Rican ambassador to the United States, was unavailable yesterday for comments on an eventual presentation of the case to the U.S. Trade Department. Facio is in Miami.

The ICC established three provisions for granting preferential treatment to Latin American countries: guarantees to the country's labor unions; respect for intellectual copyrights; and respect for U.S. citizens' assets and investments.

The government said the country has complied with these three provisions although the latest conflicts with the United States—including the current one—indicate Washington does not share this opinion.

* Proposed 1994 Budget Presented to Congress

94CA0003C San Jose LA REPUBLICA in Spanish 2 Sep 93 p 14A

[Text] The executive branch yesterday submitted a budget with a deficit of 47 billion [Costa Rican colones] for congressional approval.

The budget bill calls for 213 billion in spending to be financed by revenues of 178 billion as certified by the Office of the Controller General, said Finance Minister Carlos Munoz.

Outlays to service the debt and cover spending by the Education, Labor, and Finance Ministries account for 71 percent of total expenditures to be financed with domestic resources. Adding administrative costs for the justice system, the legislative branch, and the Election Tribunal accounts for 84 percent of the proposed budget.

Twenty-six billion colones go to covering, among other outlays, pensions, retirement benefits, and Christmas bonuses.

Of the 52 billion to service public debt, 32 billion will be for payments on the internal debt, and of this figure 24 billion will be paid out as interest. Of the 20 billion in foreign debt payments, 8.366 billion will in the form of interest.

Education gets 51.887 billion, or 24 percent, of the total budget with 34 billion to be paid in salaries and 16 billion earmarked for universities, business schools, school boards, and scholarships. Other fixed costs include 6.5 billion in partial payment of labor, management, and government contributions to CCSS [Costa Rican Social Security Institute] and a billion colones in benefits.

Senior government officials said restrictions on new job creation within the public bureaucracy remain in effect.

The expense items represent required spending that cannot be tinkered with, the minister said.

Current Revenues

Current revenues for 1994 are running 19.8 percent ahead of 1992 estimates, Munoz said. He attributed this to economic growth as measured by GNP and to more efficient revenue collection and the energetic use of such instruments as the Fiscal Lottery in the struggle against tax delinquency and evasion.

Other measures that have had a positive effect on tax collections are commercial policy, liberalized exchange rates, and the lowering of tariff barriers.

The government lowered its 1994 revenue estimates by 10.5 billion to account for expected write-offs in Tax Installment and Forestry Certificates.

Taxes are expected to produce the bulk of current revenues and account for 94.5 percent of the total. The sales tax should generate 31.4 percent of total tax collections; the consumption tax 19 percent; import duties 19 percent; and the income tax 14.4 percent. However, Munoz reiterated that the sales tax is due to to be cut from 11 percent to 10 percent in 1994 and this will mean a drop in revenues of around 7 billion.

The Outlook for 1994

Given possible differences between costs that are budgeted for and those that may not be incurred, the executive branch does not expect the central government's deficit to exceed 15 billion, or 1.5 percent of GNP, in 1994.

Munoz stressed a series of legal reforms in PAE III [expansion not given] will tend to heighten prospects for staying within budget. The reforms include the Labor Mobility law, streamlining of the tax system, Cauca II [expansion not given but may be Central American Uniform Customs Code], financial reforms, and other initiatives submitted to the legislative assembly.

In addition, he called for efficient revenue management and vigorous new measures to curb tax evasion, tax underpayment through misuse of CAT [expanision not given], and smuggling. Together with better control of the sales tax, these measures offer ways to fill budget gaps, he said.

Proposed Budget Bill

Agency	Total Spending
Total213,640,710,000	
Legislative branch	3,559,631,000
Legislative Assembly	2,008,148,000
Controller General	1,551,483,000
Executive Branch	
Office of the Presidency	880,772,000
Ministry of the Presidency	342,980,000
Ministry of:	
Interior and Police	4,137,394,000
Foreign Affairs	3,025,090,000
Public Safety	4,225,422,000
Finance	20,407,432,000
Agriculture and Ranching	4,200,000,000
Economics, Industry, and Commerce	661,700,00
Public Works and Transport	10,688,021,000
Public Education	51,887,941,000
Health	5,807,771,000
Labor and Soc. Sec.	27,063,613,000
Culture, Youth, and Sport	1,978,189,000
Justice and Pardons	3,449,856,000
Housing and Human Settlements	1,869,132,000
Service on Public Debt	52,000,000,000
Foreign Trade	220,118,000
National Planning and Policy	445,989,000
Science and Technology	220,000,000
Nat. Resources, Energy, and Mines	1,510,000,000
Judicial Branch	12,138,614,000
Supreme Election Tribunal	1,921,095,000
Specific projects	1,000,000,000
Community support and subsidies	1,000,000,000

* Inflation Rate Hits 6.25 Percent in August

94CA0003D San Jose LA REPUBLICA in Spanish 3 Sep 93 p 14A

[Text] Inflation through August came to 6.23 percent, among the lowest rates in the past 15 years, according to Finance and Foreign Trade Minister Roberto Rojas.

The rate for August alone was 0.37 percent, the lowest figure for that month since 1985.

An historical analysis of monthly variations in the Consumer Price Index [CPI] shows the rate of price increases generally slows down in August because of rises and falls attributable to the weather.

The administration of President [Rafael Angel] Calderon predicted a 1993 inflation rate of around 10 percent. The rate is now expected to be slightly higher, and, according to unofficial sources, the real rate is likely to be somewhere between 13 and 15 percent.

In August, there were rises in the prices of medical care, bread, electricity, rice, ice cream, vegetables, and especially bananas.

Prices fell for [words indistinct], and to a lesser degree for onions, coriander, and lettuce. One factor driving prices down was the 2.82 percent drop in the price of gasoline that took effect August 16.

However, over the next four months low inflation rates could have an effect on exchange rates, interest rates, and the business account in the balance of payments, said Allan Rodriguez Aguilar, Director of Economic and Exhange Market Studies for the brokerage firm, Aldesa Valores.

He said these three factors could combine with significant excess liquidity during the first half of the year to have an impact on the CPI.

Under this scenario, it is likely that by December inflation for the year will surpass the government's original goal of 12 percent and be somewhere between 13 percent and 15 percent, he said.

Part of this jump can be attributed to so-called cost inflation due to the impact of rises in exchange and interest rates on production. The increases ultimately show up in the prices of goods and services.

The effects are most likely to become apparent in the final months of this year and in early 1994. Given the excess liquidity in the economy, Rodriguez Aguilar said it is important to recognize the impact of an increase in the money supply of around 40 percent during the first semester of 1993. However, its effect will depend largely on how successful the Central Bank may have been in recent months in its efforts to draw resources out of the financial markets.

The most important result of the current accounts deficit is that it has probably ruled out the use of what economists call a monetary approach to balance of payments. This mechanism makes it possible to sidetrack inflationary pressures onto foreign markets by increasing the demand for imports, he said.

* August Foreign Trade Deficit of $581 Million

94CA0003E San Jose LA REPUBLICA in Spanish 17 Sep 93 p 14A

[Text] Exports totalled $1.357 billion through August of this year while imports came to $1.938 million. The balance of trade for August showed a deficit of $581.4 million, according to Roberto Ramirez of the firm Sigma Consultores.

The trade deficit for August grew 74 percent in comparison to the $334.8 million figure for the same month last year.

Total exports through August of this year amounted to $1.3571 billion, which amounts to a 10-percent jump over the 1992 figure of $1.235 billion for the same period in 1992, Ramirez noted.

However, analysis of this eight-month period shows imports grew 2.4 times faster than sales to foreign buyers.

Imports grew 23 percent from $1.5706 billion by the end of August 1992 to $1.938 billion by the end of August 1993.

Imports Fell Six Percent

Ramirez pointed out that August imports showed a slight decline of 6 percent in comparison to July. This suggests that the Central Bank's recently adopted policy of increasing interest rates on liabilities and reserves in order to slow the rise in imports is taking effect.

However, Ramirez cautioned that for strictly seasonal reasons imports tend to rise from September onwards. This will make it hard to keep imports below $2.9 billion in 1994. Should this happen, the trade deficit will end up at around $800 million, he concluded.

* PLN Proposes Social Development Programs

94CA0003B San Jose LA REPUBLICA in Spanish 20 Sep 93 p 6A

[Text] More than 1,500 PLN [National Liberation Party] stalwarts are at work on a program of government to be announced by Jose Maria Figueres in November. Their goal is to produce a plan for public opinion to weigh against the one being readied by the PUSC [United Social Christian Party].

A high level coordinating commission headed by former Vice President Jorge Manuel Dengo is in charge of drafting what would become the work plan of a PLN administration. Other figures on the commission are Rosmarie Karpinski, Leonardo Garnier, Eduardo Dorian, Fernando Herrero, and Rebeca Grinspan.

Brief Description of Program

Since the respective working groups are supposed to hand in their reports during the next two weeks, there is as yet no fully developed and exhaustive plan of government. However, what follow are some of the main guidelines for the social development programs that were studied first.

Education:

This is one of the most important areas for promoting an integrated society that offers ample opportunities to all Costa Ricans. It is proposed that:

a. Preschool education be provided all the nation's children.

b. The quality of primary education be improved to close the gap between public and private schooling.

c. The relevance of secondary and technical education be increased to attract more students to secondary schools.

d. Links between universities and industry be strengthened to make science and technology the driving force for change in the means of production.

Health

The quality of the health care system has deteriorated. Improving it will allow us to improve both quality of life and the ability to compete in international markets. Issues to be considered include:

a. Reorganizing health care delivery to make it faster and more personal and to increase the level of commitment to consumers.

b. Strengthening primary health care and sickness prevention services as a means of providing better service at less cost.

c. Improving the quality and reducing the cost of hospital care through institutional and technological modernization of the Costa Rican Social Security Institute.

Poverty

The PLN has a fundamental commitment to the struggle against poverty. Today, when poverty has been on the rise in recent years, the party pledges to step up efforts in this area by:

a. Better channelling of (housing, education, and nutrition) subsidies now provided as vouchers so they reach those with real needs regardless of their politics. The vouchers will not be used as a means to manipulate the poor.

b. Giving more special attention to programs aimed at poor children and households headed by mothers with the aim of assuring government and community support of their efforts to overcome poverty.

c. Upgrading community organizations that combat poverty and its consequences.

El Salvador

Police Director Remarks on Attack Plot Against President

PA2810051493 San Salvador Canal Doce Television in Spanish 0300 GMT 28 Oct 93

[From the "Up To Date" program]

[Text] Jose Maria Monterrey, National Civilian Police director, today said that he received a document from the National Police on 11 October reporting a plot to attack President Cristiani, Arena [Nationalist Republican Alliance] candidate for president Armando Calderon Sol, and Monterrey himself. The official declined to give details of the document and only said that some of those mentioned in it were threatened.

[Begin recording] [Monterrey] The National Police sent me some documents stating that there would be attacks against the president, Calderon, and myself.

[Unidentified reporter] Do they have information on this?

[Monterrey] They have information on plans to attack us. [end recording]

Monterrey said the information was passed on to the Crime Investigation Commission, which will try to determine which group may be involved in this plot. He also regretted the threats.

[Begin Monterrey recording] We believe we live in a democratic process, that we have struggled for a better El Salvador, that the president of the Republic has always wanted peace in El Salvador. This has been attained. We are calling all of these people who oppose the democratic process and peace to stop these actions. [end recording]

Monterrey said that meetings have been held with the Farabundo Marti National Liberation Front [FMLN] since 18 October to protect 27 FMLN members but that the People's Renovation Expression [ERP] faction has not provided a list of its members who require this protection.

Guatemala

Police Reinforcements Sent to Legislature To Keep Peace

PA2710154093 Guatemala City SIGLO VEINTIUNO in Spanish 27 Oct 93 p 4

[Text] More than 100 National Police agents were sent to the Legislative Palace on 26 October to reinforce security and protect the building, the contingent's commander informed legislative authorities.

Congress President Deputy Jose Fernando Lobo Dubon said he did not request police reinforcements. He attributed the increase in the number of policemen to a decision made by the appropriate authorities derived from a resolution issued by the Constitutionality Court ordering the Government Ministry to guarantee the normal development of legislative activities.

The arrival of the policemen at approximately 0900 caused uncertainty and fear among some deputies, who said they did not know "if the policemen arrived to protect the building or to expel them." The commander of the police contingent, however, informed Deputy Ernesto Contreras, first vice president of the Congress, that they were there exclusively to protect the building and prevent acts of violence.

Forum Members, Deputies Remark on Demonstration at Congress

PA2710223793 Guatemala City Teleonce Television in Spanish 1900 GMT 27 Oct 93

[From the "Telepress" newscast]

[Text] Representatives of the organizations that comprise the so-called Social Multisector Forum [Foro Multisectorial Social, FMS], including the Mutual Support Group [GAM], today said they were not involved in the actions conducted by demonstrators who obstructed deputies' access to Congress on Wednesday morning. The statements were given during a meeting they held with parliamentary members at a building near the Legislative Palace.

[Begin recording] [First unidentified FMS representative] We have never tried to prevent the deputies' access to Congress; on the contrary, we want them to enter, because we want to discuss our demands with all of you. We were surprised today when, upon arrival, we found a large number of people there. We found out later that these people, who came from different neighborhoods, specifically came to support the president of the Republic. We imagine they had to be hired by him, because I do not think the people will be mobilized just like that to support the president of one of the state branches.

We also saw some political party members. We believe this is very deplorable, because they may be trying to cause more disputes between the different state organizations; nevertheless, the people who were there have already left. They were very violent; in fact, we were attacked on several occasions. They insulted us. They have now withdrawn, and we believe there is no problem. You may enter the Congress of the Republic, particularly through 9th Avenue. A group of 40 or 50 people remains on 8th Avenue, but only GAM members are on 9th Avenue now.

[First unidentified deputy] [Words indistinct] other groups.

[Second unidentified FMS representative] We must also remember that we must prevent disputes, because there is no reason for this. Just like we are saying, we must talk; you propose something, we propose something, and we come to a beneficial conclusion. If the other groups on 9th Avenue, however, excuse me, on 8th Avenue, arrive at 9th Avenue, a confrontation will arise.

What I thought was that if a cordon is established we will never get in. On the contrary, we have every intention of going in; otherwise, we would not have come here. We want to work, to participate in a dialogue and find a solution, but we certainly demand safety measures, because we will not provoke a confrontation. We want no bloodshed. Enough has happened on other occasions. We have no reason to go backward. We must go forward to win the people's support, given the social situation we are facing.

[First FMS representative] What do you suggest should be done? In fact, we can organize a cordon or something like that so that you may enter through 9th Avenue. I do not think there will be any problems if you drive in. If you walk through 10th Street they will see you going to 9th Avenue. They are close to the corner. If you arrive through this other area I do not think there will be any problems.

[Second unidentified deputy] I want to state the following: I am a member of the Human Rights Commission, and yesterday we had to mediate in connection with GAM's requests. Last night we brought up the issue so that you would get the minimum services, without having to pay the light bill, etc. We also reached an agreement with GAM leader Nineth de Garcia and Amilcar Mendez so that they could meet with the Congress president today at 0900.

Unfortunately, given the attitude which has been adopted, to obstruct access to the Legislative Palace the Congress president has not been able to enter; he did not want to take the chance. The deputies who comprise our bloc are on their way here. We are firmly determined to hold a session at the Legislative Palace, which is the correct thing to do.

Naturally, the president of the Republic is also willing to talk with GAM representatives. He will meet with them, and you will be able to reach some kind of agreement. If we have no access to the facilities and if there is no safety

for the deputies, however, they cannot take risks. That is what I can tell the GAM members. The Congress president has been unable to enter, so a dialogue has been precluded but he is firmly determined to meet with them and hear them out; likewise, the deputies are duty bound to meet with them, hear their requests, and seek a solution. Therefore, the GAM members must clearly realize that the deputies intend to hold a session and analyze and discuss your request, because that is part of the dialogue. We must mutually hear our positions, but you must cooperate and allow us access to the Legislative Palace facilities. [end recording]

OAS Occupiers List Demands; Menchu Leadership Denied

PA2710221393 Paris AFP in Spanish 2132 GMT 27 Oct 93

[Text] Guatemala City, 27 Oct (AFP)—An undetermined number of militant peasants today occupied the OAS headquarters in Guatemala to demand that the government dissolve the Civilian Self-Defense Patrols (PAC), Indian leaders have reported.

It was first reported that the group was led by Nobel Peace Prize laureate Rigoberta Menchu, but this was denied by Indian leaders who urged Menchu to visit the OAS headquarters to support their demand.

The group, which consists of members of the Peasant Unity Committee (CUC) and the National Commission of Guatemalan Widows (Conavigua), peacefully occupied the OAS headquarters, which is located in southern Guatemala City, at noon today.

The militants are demanding that the regional organization "offer its good offices" to the government of President Ramiro De Leon Carpio to ensure dismantling of the PAC.

The PAC are paramilitary units that have operated in rural areas of Guatemala with Army support since 1982. They have been accused of frequent and serious human rights violations.

In a list of demands, the CUC and Conavigua are requesting the "capture, trial, and punishment" of PAC members, whom they accuse of killing two peasants this year in Huehuetenango and Quiche Departments, western Guatemala.

These groups are also demanding the dismissal of the commander of the military garrison in Huehuetenango Department, who they claim masterminded the two murders.

The organizations behind this action requested OAS "humanitarian aid" for the occupants and the forwarding of an "urgent" message to OAS Secretary General Joao Baena Soares, of Brazil, to intercede before President De Leon in favor of their demand.

OAS Secretary General Said To Promise Mediation in Takeover

PA2810035193 Mexico City NOTIMEX in Spanish 0213 GMT 28 Oct 93

[Text] Guatemala, 27 Oct (NOTIMEX)—It was disclosed here today that OAS Secretary General Joao Baena Soares had promised to mediate in the peasant-led takeover of OAS headquarters here in this capital city.

Indigenous leader Rosalina Tuyuc, coordinator of the National Commission of Guatemalan Widows (CONAVIGUA), has explained to NOTIMEX that the peasants were able to speak to Baena Soares, who promised to encourage an investigation into the massacres that have occurred in this Central American country.

The peasants who occupied the OAS headquarters in Guatemala City this afternoon are demanding that the national authorities initiate an investigation into the massacres executed this past 3 August and 26 September where four Indians were killed.

Tuyuc explained the need for the OAS to appoint an official from the Inter-American Human Rights Commission to expedite an investigation into the incidents.

"And not only the before mentioned incidents but also a whole series of events executed by paramilitary Civilian Self-Defense Patrols (PAC) against indigenous groups," Tuyuc said.

Rigoberta Menchu, Nobel Peace Prize winner for 1992 who is in Guatemala, also sent a letter to Baena Soares requesting his mediation with respect to the human rights situation in Guatemala.

Another group of human rights activists who have occupied the Congress building since last Tuesday stated that they would continue with the takeover until a "truth commission" is appointed to investigate human rights violations in Guatemala.

Unidentified Persons Raid Mutual Support Group Headquarters

PA2810042393 Panama City ACAN in Spanish 0307 GMT 28 Oct 93

[Text] Guatemala City, 27 Oct (ACAN-EFE)—Unidentified individuals on 27 October raided the headquarters of the Mutual Support Group (GAM) while its leaders are still occupying the Congress to force the deputies to establish a "truth commission" to investigate crimes committed during the civil war that started in 1960.

GAM leader Nineth Montenegro said that the raid occurred near the end of 27 October. She added that the files containing information on people missing for political reasons were searched, and a computer and a fax were stolen.

Montenegro, who participated in the occupation of the Congress on two occasions in less than 50 days, described the raid as "political vandalism that reflects the impunity that prevails in Guatemala."

On this occasion, GAM, which represents the relatives of about 45,000 missing people, has abstained from asking the government to investigate, because it failed to identify those who threw a bomb at GAM headquarters in September.

Montenegro reported on the raid from the Congress, where she has remained for more than 40 hours to demand the creation of a commission to investigate human rights violations committed in the past 30 years. [passage omitted]

This act of intimidation occurred 500 meters from where the presidents of Costa Rica, El Salvador, Honduras, Nicaragua, and Guatemala are analyzing a protocol of the Central American Integration Treaty, which they will sign on 29 October at the conclusion of the 14th summit.

Foreign Trade Minister Resigns Due to 'Health Problems'

PA2710211293 Panama City ACAN in Spanish 1957 GMT 27 Oct 93

[Text] Guatemala City, 27 Oct (ACAN-EFE)—Guatemala's foreign trade minister, Fanny de Estrada, resigned her post today stating that she is suffering from health problems, Presidency Secretary General Hector Luna Troccoli has reported.

The official explained that de Estrada tendered her resignation in a letter sent to President Ramiro De Leon Carpio, and her replacement has not yet been appointed.

The government "regrets" beforehand that "one of the most capable officials" is withdrawing from the administration, the Presidency secretary general said.

The foreign trade minister tendered her resignation as Guatemala is hosting the XIV Central American Presidential Summit, during which the presidents will sign the Economic Integration Treaty protocol.

Fanny de Estrada is the first minister to resign during the government of De Leon Carpio, who assumed power on 6 June elected by Congress to replace dismissed head of state Jorge Serrano, who had staged a coup.

Nicaragua

Government Deplores Death of Panamanian Foreign Minister

PA2710235793 Panama City ACAN in Spanish 2134 GMT 27 Oct 93

[Text] Managua, 27 Oct (ACAN - EFE)—The Nicaraguan Government deplored the death of Panamanian Foreign Minister Julio Linares, who passed away this morning in New York City.

The Nicaraguan Foreign Ministry spokesperson said that Linares "was a great friend" of Nicaragua and "always supported" the peace process in Nicaragua and Central America.

"Undoubtedly (Linares) was a man who believed in Central American integration, and, as such, he believed that his country should join it," the Nicaraguan Foreign Ministry spokesperson added.

In early September Foreign Minister Linares, 63, participated in the Central American commission, which mediated in the talks promoted by Chamorro's government to seek a national dialogue with the Nicaraguan political forces in an effort to solve the crisis in that country.

Panama

Foreign Minister Linares Dies in New York City

PA2710124093 Panama City Circuito RPC Radio in Spanish 1136 GMT 27 Oct 93

[Excerpt] In a regrettable turn of events, Foreign Minister Julio Linares died the night of 26 October at the New York Hospital in New York City. The foreign minister was hospitalized after he was stricken with a heart ailment when he went to New York to speak before the UN General Assembly. Linares was 63 years old and was married to Albalira de Linares. They had three sons: Julio Ernesto Linares, Aldolfo Enrique Linares, and Fernando Alberto Linares. [passage omitted]

Molirena President, Endara Comment

PA2810011993 Panama City Circuito RPC Television in Spanish 2300 GMT 27 Oct 93

[From the "RPC Television News" newscast]

[Text] Alfredo Ramirez, president of the Nationalist Liberal Republican Movement [Molirena], has described the death of Foreign Minister and fellow party member Julio Linares as a grievous loss.

[Begin recording] [Ramirez] He was a great patriot who worked tirelessly in defending Panama's interests. As a founding member he was a Molirena bulwark and one of the party's most prestigious figures. The homeland and Molirena both mourn.

[Unidentified reporter] Has Linares' replacement as foreign minister been considered already?

[Ramirez] The president of the Republic is considering the problem and will surely report in due time who will replace Linares.

[Reporter] Will the replacement be a party member?

[Ramirez] Probably.

[Reporter] Any idea of who it might be?

[Ramirez] I cannot tell. It is up to the president of the Republic.

[Reporter] When will the replacement be designated?

[Ramirez] The replacement will be appointed when the new ministers are. [end recording]

President Guillermo Endara today said the name of the official to be appointed foreign minister will be released in a few hours.

[Begin recording] [Endara] I have lost not only an excellent, irreplaceable foreign minister but a good friend, a gentleman. Although he had a few clashes with the media, I know you all appreciated him also, because you all knew him for the good person that he was. I am grieved by the loss of my foreign minister.

[Reporter] Who will be appointed foreign minister?

[Endara] I will have to make a decision between today and Monday.

[Reporter] Will he be a Molirena member?

[Endara] Probably. Prior to this meeting I met with Alfredo Ramirez and talked with him on several subjects. [end recording]

Endara commented on the proposal to lift the deputies' immunity so that they can be investigated for their participation in drug trafficking.

[Begin recording] [Endara] I am not familiar with the proposal presented by Gloria Moreno de Lopez. From what I heard, however, it makes sense. I hope it will become law.

[Reporter] Do you agree that the deputies' immunity should be lifted so they can be investigated?

[Endara] I think what Lopez proposes is right in case of drug trafficking. [end recording]

Endara Announces Resignation of Four Ministers

PA2710155293 Panama City LA PRENSA in Spanish 27 Oct 93 p 1

[Article by Ibeth Vega G. and Lastenia Murillo Munoz]

[Text] President Guillermo Endara said yesterday that only four ministers have resigned from their posts to participate in the political campaign prior to the 8 May 1994 elections. Endara said Public Works Minister Alfredo Arias, Finance and Treasury Minister Mario Galindo, Labor Minister Jorge Ruben Rosas, and Housing Minister Guillermo Quijano have resigned. The president refused to disclose the names of their replacements but said he will make the announcement at a news conference on Monday. President Endara said a few names have been "in the balance," and some of them have even been published in the media, but he added that the people who will occupy those posts will be members of the same party as the resigning ministers.

Endara said that Jose Dominguez, son of Immigration Department Director Antonio Dominguez, is one of three candidates for the post at the Public Works Ministry. Jose Dominguez "has the great advantage that he is a serious and hard-working young man and has been working with Minister Arias." He is also well aware of all the projects being carried out at the Public Works Ministry, the president said.

Endara added that there will be no big changes in the cabinet, nor will there be any "dramatic changes," because only four ministers will be leaving.

Endara said that after the Independence Day celebrations or in mid-November, the government's alliance for the upcoming elections will be discussed. According to the president, the current government alliance is strong and well founded, "even though there is a possibility that the Nationalist Liberal Republican Movement and the Authentic Liberal Party could abandon it."

Ex-Police Director Asvat Kidnapped

PA2810024993 Panama City ACAN in Spanish 0119 GMT 28 Oct 93

[Excerpt] Panama City, 27 Oct (ACAN-EFE)—Four heavily armed individuals kidnapped Ebrahim Asvat, former National Police director and member of the opposition's Christian Democratic Party, as he was arriving at his residence on 27 October, a police spokesman has reported.

The source told ACAN-EFE that the kidnapping occurred at 1830 (2330 GMT) and that the captors were armed and traveling in a light blue sedan with 17680 as the last numbers on the license plate, according to information gathered at the kidnapping site.

Meanwhile, Government and Justice Minister Juan Chevalier has said that all state security organizations are on alert and that roadblocks were erected in several points of the capital in an attempt to surround the kidnappers.

Asvat was National Police director for almost a year and was the first civilian to hold that post. [passage omitted]

Argentina

Foreign Minister Endorses 'Necessary' Blockade of Haiti

PY2710173893 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1514 GMT 27 Oct 93

[Text] Buenos Aires, 27 Oct (NA)—Argentine Foreign Minister Guido Di Tella expressed support of the fuel and weapons blockade imposed on Haiti because he deems it "necessary and sufficient" to guarantee the New York agreement and President Jean Bertrand Aristide's reinstallation.

"We do not want to starve Haitians; we only want to ensure that activities requiring the use of fuel are paralyzed," Di Tella said.

Commenting on the naval blockade of the Caribbean country, the foreign minister said the OAS "offers a framework of regional political legitimacy and this legitimacy becomes operational in coordination with the United Nations."

"The Argentine corvette Granville was sent to Haiti at the request of the UN Security Council and the Aristide administration. But the possibility of our country sending troops to the region was discarded," Di Tella told the daily PAGINA 12.

The foreign minister also said: "Often, society is firmly resolved to construct democracy but faces obstacles created in the past that prevent it from doing so." He emphasized the importance of "international help" in this case.

The United States, Venezuela, Canada, and France are considering the possibility of proposing an overall trade embargo on Haiti. Representatives of the four countries are expected to present a draft on this possibility to the UN Security Council.

Cordoba Governor Meets Menem, Refuses To Back Reform

PY2810004493 Buenos Aires BUENOS AIRES HERALD in English 27 Oct 93 pp 1, 11

[Excerpt] Radical Cordoba Governor Eduardo Cesar Angeloz admitted after meeting President Carlos Menem yesterday that he could relate to the government's reformist tendency, but failed to give backing to the highly contested constitutional reform and presidential re-election propelled by the Justicialist administration.

After confessing that he has always been a reformist, Angeloz said that regardless of his stance on constitutional amendment, he would allow Radical card-holders in his province "freedom of action" on the November 21 plebiscite.

Menem and Angeloz met only three days before the Radical National Convention is expected to craft an opposition strategy for the plebiscite.

After the meeting, the President said he was "partly satisfied" with the results of the 40-minute dialogue with Angeloz, whom he described as having a "a positive, yet wobby stance (on issues)."

Angeloz, who described the plebiscite as "harmless," assured that he would respect the decision of his party regarding amendments to the Constitution. During a press conference held after the meeting, Angeloz said that Radical Party members in his province would be able to "act freely" in the plebiscite regardless of party affiliation.

He discounted the possibility of division within the Radical Party caused by members' varied opinions on constitutional reform and said that the position adopted by Cordoba national deputies in the Lower House will be decided by the provincial committee and ultimately by the UCR National Convention.

Showing allegiance to his party, Angeloz said, "The President knows that I am a man of the party, who assumes the discipline of the party and I am not going to breach party lines."

Although Angeloz is reformist-minded, he didn't give any indication that he would be willing to waive his party's position. "I have had an attitude in favour of reform not just recently, but always. Nevertheless, the President knows that I am a man of the party who abides by the party discipline."

Later in the day, Angeloz met with Radical Party Chairman Mario Losada, and told him that the plebiscite is a "harmless mechanism lacking in value."[passage omitted]

UCR Deputy Di Tulio Resigns Seat Over Plebiscite

PY2710133993 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0103 GMT 27 Oct 93

[Text] Buenos Aires, 26 Oct (NA)—Santa Cruz Radical Civic Union [UCR] Deputy Hector Di Tulio this evening tendered the "undeclinable" resignation of his seat, provoking a scandal in the UCR bloc, some of whose members asked him to change his mind.

Di Tulio submitted his resignation at the office of Chamber of Deputies President Alberto Pierri. The note was delivered to a secretary because Pierri was not in the office.

Afterward, a group of UCR deputies, among them Jorge Benedetti and Enrique Olivera, took Di Tulio to the office of Esther Perez Pardo, the parliamentary secretary of the Chamber of Deputies, where they unsuccessfully tried to make him change his mind.

Di Tulio resigned in the wake of a tumultuous bloc meeting during which he was strongly criticized by his peers because of his announced decision to vote yes in the plebiscite the government has called on the reform of the Constitution.

Economy Official Calls for IMF Support for Adjustment Process

PY2810013693 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1540 GMT 27 Oct 93

[Text] Buenos Aires, 27 Oct (NA)—Economy Vice Minister Carlos Sanchez has stated that the International Monetary Fund (IMF) "must contribute to improving international economic coordination and cooperation to facilitate the adjustment process."

Sanchez explained that "the growing economic integration between countries and regions as a consequence of the end of the Cold War and of unprecedented technological development, and the widespread acceptance of the market as the most effective mechanism to apportion resources, are insufficient to revitalize world development and to distribute the fruits of prosperity more equitably."

He added that "developing nations are becoming the driving force of world development after the structural changes implemented in those countries."

As a consequence, he said in a note published by a Buenos Aires morning paper, "future efforts by the IMF must be intended to increase the effectiveness of its supervisory or 'surveillance' [preceding word in English] role."

Sanchez added that "the IMF must maintain a structure that will guarantee a quick response capacity and offer an access to resources in accordance with the requirements of member countries, and to preserve the technical credibility."

Sanchez believes that "the new transitional member countries and those with the lowest income (especially those of sub-Saharan Africa) will continue depending particularly on their capacity to attract resources from the organization."

He added that "the weak world situation will surely feel the repercussions of ineffective action."

Cavallo Discusses Inflation, Exports, GDP

PY2810005293 Buenos Aires BUENOS AIRES HERALD in English 27 Oct 93 p 3

[Text] Inflation in October will be between 0.4 and 0.5 percent and in 1993, eight percent, Economy Minister Domingo Cavallo said yesterday while inaugurating the 64th Latin American Steel Congress.

During his talk Cavallo compared current economic policy with previous economic plans that attempted to cut inflation. He said that with convertibility "inflation has been reduced drastically without causing a drop in the level of exports.

"The Austral Plan fixed the exchange rate in 1985 and two years later inflation had come down but exports dropped by 25 percent," Cavallo said.

He pointed out that "while export revenues in 1988 were only some 9.5 billion dollars, this year exports will be about 13 billion dollars, which shows that exports have grown." Cavallo also said that an encouraging factor had been the nine percent growth in Gross Domestic Product in both 1991 and 1992 and the estimated growth this year "of above seven percent."

Cavallo said he ignored why the Bolsa stock exchange dropped so dramatically on Monday. "The Bolsa goes up one day and down the next and one can't arrive at a conclusion based on the results of one day's trading," the minister said.

Santiago del Estero Governor Resigns

PY2710182993 Buenos Aires Radio Nacional Network in Spanish 1600 GMT 27 Oct 93

[Excerpt] Santiago del Estero Governor Carlos Mujica submitted his undeclinable resignation to the Chamber of Deputies.

Shortly before Mujica submitted his resignation, the Chamber of Deputies had resumed a session that went into recess on 25 October. Therefore, it has been decided to place all proceedings of the resigning governor's impeachment in the Legislature Committee's hands.

Thus, the case that involved several meetings in Buenos Aires first and then in Santiago del Estero province has ended. [passage omitted]

Air Force Denies Punishing Retired Officer

PY2710161193 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2300 GMT 26 Oct 93

[Text] Buenos Aires, 26 Oct (NA)—The Air Force today denied having ordered disciplinary punishment of a retired brigadier major for sending his superiors a note referring to difficulties faced by retired military officers.

In a short note, the Air Force thus denied "untruthful" rumors reporting that Brigadier General Juan Paulik, Air Force chief of staff, allegedly punished retire Brigadier Major Jesus Orlando Capellini.

The unofficial version reported that the Army chief of staff, Lieutenant General Martin Balza, had ordered retired General Albio Anaya to remain under house arrest for sending him an "inappropriate" note regretting the retired military officers' situation.

The Army General Staff yesterday categorically denied the rumors and deemed them "entirely inaccurate."

Bolivia

Foreign Minister Denies U.S. Embassy 'Interference'

PY2710123493 La Paz Radio Fides Network in Spanish 1100 GMT 27 Oct 93

[Excerpt] Foreign Minister Antonio Aranibar said in Santa Cruz—in connection with the corruption affair involving high-ranking Supreme Court members—that the U.S. Embassy is not interfering in Bolivian domestic affairs.

He said the only thing the United States is doing is cooperating, that is, there is joint work. It is not interference but participation because the U.S. Embassy and the Bolivian Government have taken analogous measures [relacion paralela], in the wake of the alleged extortion of former Nicaraguan Vice Minister Jose Antonio Ibarra by Supreme Court President Edgar Oblitas and other justices, Aranibar said. [passage omitted]

Brazil

CPI Authorizes Breaking Banking, Tax Secrecy

PY2710234693 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 27 Oct 93

[Text] The CPI [Congressional Investigating Committee] investigating the budget scandal has authorized breaking bank and tax secrecy on all those involved in the corruption scandal in the release of public funds.

[Begin journalist Betty Veloso recording from Brasilia] The list contains 22 deputies, four senators, two ministers, two former ministers, two former Social Welfare Ministry secretaries, three governors, and six construction companies.

The CPI also decided to investigate the bank account of Deputy Joao Alves' maid in Salvador, who is called Noelma and who reportedly placed lottery bets for the deputy.

Genebaldo Correa, PMDB [Brazilian Democratic Movement Party] leader in the Chamber of Deputies; Mauro Benevides, PMDB leader in the Senate; Senate President Humberto Lucena; and Deputies Ricardo Fiuza and Ibsen Pinheiro are among those under investigation. The OAS [expansion unknown] Enterprises Ltd., Odebrecht, Queiroz Galvao, and Andrade Gutierrez construction companies are among those under investigation.

Senator Jarbas Passarinho, the CPI chairman, emphasized that these people and these companies must not be described as culprits; they have just been mentioned or are important to the committee.

To avoid prejudgment, the CPI also decided to authorize breaking bank and tax secrecy on all the CPI members, alternates, and possible participants.

The subcommittees must now decide who will be investigated and subsequently request the appropriate documents from the Federal Revenue Department or the Central Bank. [end recording]

Finance Minister on Privatization of Electric Power Industry

PY2710141693 Rio de Janeiro O GLOBO in Portuguese 26 Oct 93 p 22

[Text] Finance Minister Fernando Henrique Cardoso yesterday admitted that the second phase of the privatization program, especially in the electric power industry, will take time and will be preceded by broad public debate. He said any hasty discussion will take into account only the interest of part of society.

"We will do the right thing, without squandering public assets," he said.

Among the electric power industry matters that should be debated, the minister noted three topics: Where privatization will begin, what areas will be privatized, and how the projects in the area will be supplemented. Cardoso said the denationalization processes in Mexico, Argentina, and Great Britain have all taken time.

President Itamar Franco will decide in 30 days on the system of payment and the currencies to be used—within the National Development Plan (PND)—in the privatization program's second phase. This is one of the regulations included in Provisional Measure No. 362, which was published in the OFFICIAL GAZETTE yesterday.

Within the PND, the presidential decision will have to take into account, among other principles, the use of any currency and the preservation of the credits that already have been accepted under auctioning terms. Liquid credits owed by the union and union-controlled entities may be accepted for payment, provided they are renegotiated with the Finance Ministry.

The provisional measure ratified the Finance Ministry's role as comptroller, coordinator, and supervisor. Full members of the executive commission should be approved by the Senate before designation by the president. The participation of foreign capital in the program also was increased: Sales to individuals or corporations can be for up to 100 percent of voting shares. This percentage was previously 40 percent.

Economic Team Considering Monthly Index

PY2710162493 Sao Paulo FOLHA DE SAO PAULO in Portuguese 25 Oct 93 Section 1 p 10

[Article by Ediana Balleroni and Sonia Mossri]

[Text] The adoption of a monthly index to fix the inflation rate is once again the finance minister's team's preferred choice for curbing inflation. The idea is to adopt a single monthly price index for the entire economy, with a built-in index to reduce the estimated

future inflation. Salaries already have an index that reduces them by 10 percentage points with respect to the index registered in the previous month.

This possibility for stabilization of the economy gained ground in light of President Itamar Franco's rejection of the two other hypotheses the team is considering: dollarization and the currency board [preceding two words in English], which would manage a currency parallel to the real cruzeiro and tied to the dollar.

The prefixed index would be a compulsory reference for all prices and contracts. This will give rise to the first problems. Itamar Franco does not want to hear about breaking contracts, adjustment tables, or any other measure that might complicate the life of common people. Implementation of the index will imply the breaking of contracts in order to deflate the built-in inflation rate.

The proposal to adopt an index gained ground because of the president's resistance to any exchange rate-based system. Planalto Palace has criticized the circulation of two currencies and the exchange rate-based systems on the grounds that they will transform the country into a colony.

Team members still hope to have a fiscal adjustment—even if minor—approved through the reform of the Constitution. This will call for restructuring the social security system, revising the policy with public servants, and revising the distribution of obligations between the union, states, and municipal districts.

If not even this is possible, it will be necessary to control the inflation rate until the 1994 elections. The Finance Ministry will have to send to Congress isolated measures that can be supported by the public. For example, the elimination of the Regional Integration and Social Welfare Ministries after the scandal involving budget allocations.

* Poll: Party Preferences on Constitutional Themes

* Priority Issue of Tax Reform

94SM0057A Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Oct 93 p A-10

[Text] Brasilia—Four topics are likely to dominate the debates on the constitutional revision that begin on Wednesday. A poll commissioned by O ESTADO from Soma Opinion and Market shows that both deputies and senators consider it urgent to modify the tax system, make changes in the chapter on the economic order, redefine the role and powers of the State, and overhaul the Social Security system. Work will probably start with the points of consensus. Party leaders hope to have an agenda ready by Wednesday that includes the topics that everyone wants to change. Controversial subjects will be left for later.

"The reform must not be so far-reaching as to bring the country to a standstill, nor so timid that it does not help solve Brazil's crisis," said Deputy Ibsen Pinheiro (PMDB-RS) [Brazilian Democratic Movement Party—Rio Grande do Sul]. The leader of the PSDB [Brazilian Social Democracy Party], Sao Paulo Deputy Jose Serra, is hard at work preparing a concise agenda so that the reform will not still be going on when the 1994 election campaign begins: "It would be foolhardy to let the two events coincide." The PFL [Liberal Front Party], which is willing to work with the PMDB and the PSDB, agrees. "We need to find the best solution," said the party's leader in the Chamber, Luis Eduardo Magalhaes, of Bahia.

The 346 deputies and senators interviewed by Soma between 22 and 28 September mentioned four of their basic concerns about the revision. Tax reform was mentioned by 61.4 percent, the economic order by 18.6 percent, the role of the State by 17.4 percent, and the Social Security system by 15.6 percent. The bloc of legislators' priorities relegates to the back burner issues such as civil service tenure (8.9 percent), monopolies (6.9 percent), and agrarian reform (4 percent).

The poll also shows that it will be hard to hammer out agreements. Several topics divided the legislators. The federal government's monopoly on telecommunications, for example, is questioned by 46.8 percent, but 35.1 percent favor this arrangement and 14.6 percent would impose only a few limitations. Equilibrium between the groups opposing and favoring changes in the text will probably characterize the discussions on voting by districts, abortion, presidential re-election, and the petroleum monopoly.

Survey Findings

According to the poll, these are the topics on which there is consensus: 1. Changes in the representation of states in the Chamber 2. Tax reform 3. Retirement system combining criteria of age and length of service 4. More stringent means of combatting corruption 5. Not including the death penalty in the Constitution.

These are topics that divide the Congress: 1. Government monopoly on telecommunications 2. District voting 3. Privatizing the Social Security system 4. Demilitarizing the military police forces 5. Decriminalizing abortion 6. Re-election of president 7. Re-election of governors 8. Civil service tenure 9. Interest rate ceiling of 12 percent per annum 10. Petroleum monopoly

When asked whether they consider themselves "centrists," 60.5 percent of the legislators answered "yes."

When asked whether they fully support the administration, 20 percent of deputies and senators answered "yes."

Priority Issues
Which three items in the Constitution do you feel are most urgently in need of modification? (in %)*

	House Represented		Region					Total
	Deputies	Senators	North	Northeast	West Central	Southeast	South	
Tax reform	60	74	63	64	51	64	53	61
The Economic Order	18	21	16	18	20	21	15	19
Role and powers of the State	18	15	20	19	-	15	26	17
Social Security	14	32	7	18	13	19	16	16
Civil service tenure	9	12	11	3	7	15	6	9
Social rights and order	9	-	5	7	9	13	2	8
Monopoly	7	8	2	10	4	6	9	7
Judiciary reform	6	4	9	3	-	7	6	6
All/general reform	6	4	3	8	8	6	2	6
Electoral reform	5	6	5	2	9	5	9	5
Agrarian reform	4	4	7	3	7	3	5	4
Regulation of foreign capital	4	3	4	6	-	3	2	4
Brazilian companies	4	-	2	6	-	4	-	3
Financial reform	3	8	9	4	4	1	-	3
Funding of Social Security/health	3	3	4	3	3	2	5	3
Privatization	3	4	2	5	-	2	5	3
Model of the State	3	-	2	3	-	3	5	3
Others	20	20	25	10	26	20	35	20
Refused to answer/Against reform	15	11	17	15	17	11	17	14

*Multiple responses

Source: Soma Opinion and Market

* Splits on Secondary Issues

94SM0057B Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Oct 93 p A-12

[Text] Brasilia—Tax reform was mentioned almost unanimously as being among the priorities of Brazil's political parties as they look ahead to the constitutional revision. But the poll commissioned by O ESTADO from Soma Opinion and Market found many variations in the items mentioned as ranking second and third.

PPR and PFL Would Change Economic Order; PSDB Prefers Social Security

Thirty-seven percent of the members of the PPR [Progressive Renewal Party] cited a preference for discussing the chapter on the economic order. The topic also pleases the PFL [Liberal Front Party] , which would like to use it as the starting point for the revision. "We are not going to go through this reform just to help the administration," said the party's leader in the Chamber, Luis Eduardo Magalhaes, of Bahia.

Alvaro Dias, president of the PP [Popular Party] disagrees: "These are very controversial issues—such as breaking up the government monopolies—and would take up too much time." After debating the tax system, his party would prefer to take up changes in the role of the State, civil service tenure, and social rights. In Finance Minister Fernando Henrique Cardoso's PSDB [Brazilian Social Democracy Party], the change in the tax system was mentioned 36 percent of the time, ranking close to the *tucanos'* second priority: the Social Security system, at 31 percent. This is a concern shared by the largest delegation in Congress, the PMDB [Brazilian Democratic Movement Party], 21 percent of whom mentioned changes in the Social Security system.

almost a tie with the number (24 percent) who mentioned the redefinition of the role of the State.

Agrarian Reform

Despite being against the whole idea of reform, the PT [Workers Party] legislators have already made it clear what they would like to see changed in the constitutional text, besides taxes. To 18 percent of them, new rules on agrarian reform need to be inserted into the Constitution. Implementing regulations for the Constitution, the role and powers of the State, and judiciary reform ranked third, mentioned by 14 percent.

In order to prevent an impasse, the potential rapporteur of the revision, Deputy Nelson Jobim (PMDB-Rio Grande do Sul), and Senators Elcio Alvares (PFL-Espiritu Santo) and Nelson Carneiro (PMDB-Rio Grande do Sul) are drafting by-laws to assure that the voting goes smoothly. Their first idea is to reject as a bloc all amendments that are not supported by at least one-third of the deputies and senators.

The Concerns of Brazil's Political Parties
Items in the Constitution They Believe It Is Urgent To Change
(in %)*

Issue	PDT**	PPR	PP	PSDB	PT	PMDB	Others	Bloc***
Tax reform	72	73	45	36	36	69	49	71
The Economic Order	-	37	9	17	-	15	7	28
Role and powers of the State	6	16	14	22	14	24	7	19
Social Security	6	16	9	31	9	21	-	17
Civil service tenure	-	2	14	11	9	15	12	6
Social rights and order	6	10	14	-	-	12	5	9
Monopoly	-	6	9	6	-	9	2	10
Judiciary reform	-	2	14	3	14	4	5	8
All/general reform	11	10	-	8	5	6	7	3
Electoral reform	-	6	5	6	-	6	5	5
Reform of labor court system	17	2	-	-	5	3	2	8
Agrarian reform	-	-	-	-	18	4	9	4
Regulation of foreign capital	-	4	9	8	-	1	5	4
Brazilian companies	-	4	9	-	-	-	9	5
Financial reform	6	6	5	3	-	6	-	1
Funding of Social Security/health	4	9	8	-	-	-	4	
Privatization	16	-	5	3	5	1	-	5
Model of the State	-	2	5	3	5	3	-	4
Implementing regulations of the Constitution	17	2	-	-	14	-	2	-
Others	22	24	18	8	45	27	16	13
Refused to answer/Against reform	28	2	23	31	23	7	33	8

*Multiple responses

**PDT = [Democratic Labor Party]

***Comprised of the PFL, PTB [Brazilian Labor Party], PSC [Social Christian Party], and PRS [Social Reform Party]

Source: Soma Opinion and Market

The Tax System

[Boxed introduction to this issue]

What It Is

Taxes, assessments, and fees charged by the federal government, states, and cities constitute the complex tax structure established in the 1988 Constitution. Debates on the topic will cover not only the burden on the taxpayer, but redistribution of the proceeds among the spheres of government, in proportion to their powers.

Reformulation of the tax system, once the main target of the administration in terms of the constitutional revision, is now prompting doubts among members of the economic team. Secretary of the Federal Revenue Osiris Lopes Filho thinks any change in current rules could be prejudicial to plans for stabilizing the economy. Projections made by the government indicate that the various proposals already made to simplify the tax system and reduce the burden on the taxpayer could reduce federal government revenues. The economic team has also detected a tendency among legislators to submit amendments that would increase the federal government's responsibilities even further, without providing for a corresponding passing of powers down to the states and cities. The political parties want to change the tax system and drastically reduce the number of different taxes—to six, at the most. Despite the administration's fears, tax reform is likely to be the first topic discussed in the constitutional revision. Governors and mayors have their eyes on this chapter, hoping to prevent new responsibilities from being handed over to them, as the federal government wants.

93 Percent Want to Change Taxes

	House Represented		Region					Total
	Deputies	Senators	North	Northeast	West Central	Southeast	South	
In favor	93%	93%	95%	93%	96%	92%	94%	93%
In favor, with restrictions	2%	-	-	2%	-	1%	2%	1%
Against	4%	-	3%	3%	4%	5%	2%	4%
Don't know	1%	7%	2%	2%	-	2%	2%	2%

Source: Soma Opinion and Market

Civil Service Tenure

What It Is

After two years on the job, federal civil servants who entered by competitive selection procedures are guaranteed employment: they can only be dismissed by court order or administrative proceedings. If their positions are abolished, they remain on reserve status and keep receiving their paychecks as usual.

The majority of political parties, even some leftist factions, want to end tenure in federal government employment. But the proximity of the elections will make it hard to deal with this matter during the constitutional revision. The strongest advocate of an end to guaranteed jobs for civil servants is the federal government. The PT, one of the groups that developed the concept during the 1987/88 Constituent Assembly, changed its mind when former [Sao Paulo] Mayor Luiza Erundina took over as Secretary of Federal Administration. She found that because of this mechanism, there is no way to ensure quality in government service. Erundina even considered contracting out the work of some sectors. The leading defender of tenure is Deputy Maria Laura (PT, Sao Paulo), founder and former president of the Union of Federal Public Servants. The administration is weighing a proposal to end tenure that was drafted by former President Collor's team. It would set up a mechanism for regular evaluations of civil servants by means of a file of data on individual productivity and diligence. Those data would be correlated by computer and the result would be used as a basis for promotion and retention of the employee in public service.

Tenure for Employees Divides Congress

	House Represented		Region					Total
	Deputies	Senators	North	Northeast	West Central	Southeast	South	
In favor	34%	37%	54%	35%	26%	28%	26%	35%
In favor, with restrictions	21%	19%	18%	18%	17%	25%	23%	21%
Against	40%	36%	28%	41%	44%	42%	45%	40%
Don't know	4%	8%	-	5%	13%	5%	6%	5%

Source: Soma Opinion and Market

The Petroleum Monopoly

What It Is

The federal government now has broad control over the research, exploration, production, refining, and ocean and pipeline shipment of crude petroleum and its derivatives. All these activities are carried out by the State. The market reserve guaranteed the public sector by the Constitution also includes natural gas.

With promulgation of the 1988 Constitution, the prospecting, drilling, and refining of petroleum and its derivatives once again became the monopoly of the federal government. The Constituent Assembly put an end to risk contracts, a mechanism developed during the military government. Whether this monopoly is retained or broken up promises to be one of the most controversial issues in the constitutional revision. The PFL and the PPR are demanding that this item be included on the consensus agenda. Those two parties urge an end to the monopoly so that the industry can be opened up to foreign capital. Neither the PMDB or PSDB has decided which position it will take on the subject, but many in those delegations have plenty of reservations about a pure and simple removal of state control over the sector. Polls on trends in Congress on this issue indicate that probably there will be no changes in this provision (Article 177). Legislators from different parties admit that the petroleum monopoly stirs feelings of nationalism and, therefore, would be a rallying point for public opinion. Even the business community is divided on this question. While FIESP [Sao Paulo State Federation of Industries] President Carlos Eduardo Moreira Ferreira considers an end to the monopoly to be vital to a resumption of development, former PNBE [Business Community National Thought] Coordinator Emerson Kapaz says the political atmosphere is not right for discussing the subject.

Federal Government May Retain Exclusive Control

	House Represented		Region					Total
	Deputies	Senators	North	Northeast	West Central	Southeast	South	
In favor	40%	37%	47%	39%	41%	37%	39%	40%
In favor, with restrictions	14%	19%	11%	16%	13%	15%	13%	14%
Against	43%	36%	42%	38%	46%	45%	46%	43%
Don't know	3%	7%	-	7%	-	3%	2%	3%

Source: Soma Opinion and Market

The 12 Percent Interest Rate Ceiling

What It Is

According to Article 192(3) of the Constitution, banks may not charge real interest rates higher than 12 percent per annum on loans. Disregard of this limit is considered usury, a crime. But no one has been punished yet: no complementary law exists to define the concept of "real interest rates" or to specify the penalties.

Inclusion of the provision putting a 12 percent ceiling on real interest rates was the source of great controversy in 1988. Arguments by economists that the interest rate is an instrument of monetary policy and not the object of a constitutional rule went unheeded. The father of the provision, then-Deputy Fernando Gasparian (PMDB-Sao Paulo), was tireless in the defense of his theory and managed to get it included in the Constitution with the help of the parties of the Left. Gasparian spent the rest of his term trying to win enactment of regulations to implement Article 192(3), but no one had much confidence in him. The provision simply rattled around loose in the text. The National Federation of Banks (Fenaban) dreams of abolishing the limit from the Constitution during the revision. Deputy Benito Gama (PFL-Bahia), chairman of the committee assigned to regulate this article, thinks this might actually happen. He says that deputies and senators now realize that it does no good to set limits on interest rates if the financial sector can block the implementing regulations. But there are legislators who think the provision will be retained. They say that quite a few members of Congress believe high interest rates to be one of the main causes of inflation.

Retention of Ceiling Backed by 46 Percent

	House Represented		Region					Total
	Deputies	Senators	North	Northeast	West Central	Southeast	South	
In favor	48%	26%	48%	43%	46%	44%	55%	46%
In favor, with restrictions	4%	12%	3%	4%	4%	7%	2%	5%
Against	41%	51%	43%	44%	47%	42%	36%	42%
Don't know	7%	11%	6%	10%	3%	7%	6%	7%

Source: Soma Opinion and Market

Retirement

What It Is

Now, workers can retire either on the basis of years worked (men after 35 years, women after 30) or on the basis of age (men at 65, women at 60). Teachers and occupational categories who work under unhealthful conditions may retire earlier.

If it were left up to the administration, the current rules on retirement would be changed. The Constitution assures retirement after 35 years of working for men, and after 30 years of working for women. Today, retirement on the basis of age is automatically granted at age 65 for men and at age 60 for women. Planalto Palace has the sympathy of the parties of the centrist Right, the PMDB, the PSDB, and the PPS [Socialist People's Party] for approval of an amendment establishing a new formula that combines length of service and age in determining who is entitled to retire. Advocated by Minister of Social Security Antonio Britto, the model has been dubbed "Formula 95." Under it, a worker would be entitled to retire when the sum of his age and the number of years worked equals 95. That is, someone who is 65 years old and has been contributing to the system for 30 years could apply for a pension. The PSDB is testing the formula every way it can think of, and has not yet found any flaws. The administration does not intend to change the retirement rules overnight, but has not yet developed a transition model to be used if the revision assembly approves the idea. In general, the political parties agree with the theory, but the proximity of elections could adversely impact the discussions.

Mixed System Is Preferred

	House Represented		Region					Total
	Deputies	Senators	North	Northeast	West Central	Southeast	South	
Length of service	22%	16%	22%	18%	16%	21%	31%	21%
Age limit	17%	19%	14%	21%	23%	14%	16%	17%
Mixed	59%	58%	62%	57%	49%	63%	51%	59%
Don't know	3%	7%	2%	4%	11%	2%	2%	3%

Source: Soma Opinion and Market

Telecommunications

What It Is

Under the 1988 Constitution, only companies whose stock is controlled by the government may provide telephone, telegraph, and data transmission services directly or under concession. The federal government now controls a system comprised of 27 state enterprises.

There will probably be changes in the telecommunications field. Both the administration and the parties of the centrist Right advocate an end to the federal government's monopoly over the industry and they have the backing of the PFL, PPR, PTB, PL [Liberal Party], and parts of the PMDB and PSDB. The controversy in the case of telecommunications arises because the Constitution stipulates that only companies whose shares are controlled by the government may operate the services under concession. Radio and television broadcasting have already been privatized; the federal government merely sets the rules for their functioning and oversees the performance by the private companies, by awarding permits. There is a strong current within the administration in favor of adoption of that model for the telecommunications field. In that event, Telebras [Brazilian Telecommunications, Inc.] would continue as operator of the system, now composed of 27 state companies controlled by the federal government. The services of the system would then be provided by private

companies, in the states and cities. Concessions would be awarded through public bidding. This proposal is supported by the PFL, PPR, and part of the PMDB. As with any other debate that involves government monopolies, the legislators are split: 35 percent of deputies and senators want to keep the current rules, 15 percent want to see only a few restrictions, and 47 percent oppose exclusive federal control over the provision of these services.

Private Sector's Territory Likely To Grow

	House Represented		Region					Total
	Deputies	Senators	North	Northeast	West Central	Southeast	South	
In favor	36%	29%	43%	30%	39%	36%	32%	35%
In favor, with restrictions	14%	19%	12%	19%	13%	15%	9%	15%
Against	47%	40%	45%	45%	48%	46%	55%	47%
Don't know	3%	11%	-	6%	-	4%	4%	3%

Source: Soma Opinion and Market

Representation in the Chamber

What It Is

The Constitution stipulates, in Article 45, that no state shall have fewer than eight or more than 70 federal deputies. But it provides that the total number of representatives in the Chamber is to be established by complementary law, in proportion to the population of each state. These regulations, however, have never yet been enacted.

There is a consensus in the Congress concerning the rules on legislative representation: the state of Sao Paulo is the biggest victim of the current system of allocating delegate seats at the federal level. The Constitution provides that each state and the Federal District shall have a delegation of at least eight, but no more than 70, deputies. Representation is calculated on the basis of population. But the complementary law to regulate this subject has not yet been enacted. The key proposals in Congress to modify this provision provide for calculations to be made on the basis of number of voters. Sao Paulo legislators want to see minimum representation pegged at three or four deputies, with the maximum at 90. This would be an attempt to correct the distortion that gives residents of the North and West Central regions proportionately more representatives in the Chamber than those who live in the South and Southeast. The principal argument of those who call for change, such as *tucano*Deputy Jose Serra, is that each voter's vote should carry equal weight. But there is resistance. Deputies and senators from the North and West Central and some representatives from the Northeast argue that the current representation pattern gives the poorest regions some "equilibrium." They say these more powerful delegations offset the economic clout of the South and Southeast.

Majority Want New Rule On Delegation Size

	House Represented		Region					Total
	Deputies	Senators	North	Northeast	West Central	Southeast	South	
In favor	63%	39%	23%	50%	60%	78%	96%	61%
In favor, with restrictions	5%	16%	3%	9%	16%	5%	-	6%
Against	29%	38%	74%	35%	20%	15%	2%	30%
Don't know	3%	7%	-	6%	3%	2%	3%	2%

Source: Soma Opinion and Market

* Electoral Reform Controversial

94SM0057C Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Oct 93 p A-5

[Text] The debates on the electoral and political party rules promise to be some of the liveliest in the constitutional revision. Questions like the district vote and the possibility of allowing the President of the Republic and governors and mayors to be re-elected divide the legislators. A poll commissioned by O ESTADO from Soma Opinion and Market shows, for example, that 49 percent of the deputies and senators want to delete from the Constitution the prohibition against holders of office in the Executive Branch from serving two consecutive terms. But the contingent that opposes this idea is sizeable, too: it includes 45 percent of the legislators.

Changing these items in the Constitution is not considered of priority importance by members of Congress. Electoral reform ranks tenth, at 4.8 percent, on the list of topics that need urgent modification, according to the survey of revision priorities conducted with 346 legislators between 22 and 28 September by Soma Opinion and Market.

Issues such as tax reform, the economic order, the role of government, and the Social Security system are the principal target of deputies and senators as they look ahead to the reform. But there is heavy pressure from governors and mayors to change the election provisions, especially the one that prohibits re-election. The campaign unites members of different parties, such as the governors of Sao Paulo (Luiz Antonio Fleury Filho of the PMDB [Brazilian Democratic Movement Party]), Bahia (Antonio Carlos Magalhaes of the PFL [Liberal Front Party]), and Goias (Joaquim Roriz, of the PP [Popular Party]). The idea also has the support, albeit discreet, of one of the leading figures who opposes the entire constitutional revision, Rio de Janeiro Governor Leonel Brizola (PDT) [Democratic Labor Party].

Re-election Of the President

What It Is

Article 82 of the Constitution reads: "The term of office of the President of the Republic is 5 years, beginning on 1 January of the year following his election; re-election for the subsequent term is prohibited." During the revision, the Congress could cut the term to four years and permit consecutive terms.

The constitutional revision might give Brazilian voters an opportunity to re-elect their president, as is done in the United States. According to the findings of a poll commissioned by O ESTADO from Soma Opinion and Market, almost half (49 percent) the members of Congress would like to delete the wording that prohibits the president from serving consecutive terms. But there will be plenty of debate: 45 percent of the deputies oppose the idea, believing that the temptation to use the government apparatus will be much greater if a president can be re-elected. Those who hope to change the text argue that one term is not much time to accomplish what is needed for a good administration. They say the first year is spent assembling and refining the team, and the last year is frustrated by the approaching elections. The PMDB legislators are the most enthusiastic (59 percent) about re-election. The *tucanos* (62 percent) are the most resistant to the idea.

Change in Rule Is Approved By 48 Percent

	House Represented		Region					Total
	Deputies	Senators	North	Northeast	West Central	Southeast	South	
In favor	46%	62%	46%	41%	74%	46%	53%	48%
In favor, with restrictions	10%	15%	3%	12%	3%	13%	15%	10%
Against	42%	19%	51%	43%	23%	38%	30%	40%
Don't know	2%	4%	-	3%	-	3%	2%	2%

Source: Soma Opinion and Market

Re-election Of Governors

What It Is

The Constitution prohibits the president, governors, and mayors from running for re-election. Also included in the ban on serving two consecutive terms are those who succeeded or replaced such officials during the six months prior to the election.

Governors and mayors who are campaigning to have the prohibition on running for re-election deleted from the constitutional text during the constitutional revision have a chance of success. The poll commissioned by O ESTADO from Soma Opinion and Market shows that 49 percent of deputies and senators are in favor of letting those who hold state executive office serve two consecutive terms. Another 4 percent support the idea but would like to impose some kind of restriction. The group who opposes the idea includes 45 percent of the legislators. Resistance to re-election is stronger in the PT [Workers Party] (82 percent) and among the *tucanos* (62 percent). The idea of freeing governors to run for the next term finds support primarily among the deputies and senators from the PMDB (59 percent), the Bloc—comprised of the PFL, PTB [Brazilian Labor Party], PSC [Social Christian Party], and PRS [Social Reform Party]—(58 percent), and the PDT and PP, at 50 percent.

Repetition of Term Splits Legislators

	House Represented		Region					Total
	Deputies	Senators	North	Northeast	West Central	Southeast	South	
In favor	49%	46%	55%	46%	55%	46%	51%	49%
In favor, with restrictions	4%	4%	5%	1%	4%	7%	-	4%
Against	45%	46%	40%	49%	41%	45%	46%	45%
Don't know	2%	4%	-	4%	-	2%	3%	2%

Source: Soma Opinion and Market

District Voting

What It Is

Deputies are now elected by proportional representation. The parties fill the vacancies in the Chamber according to the total votes received. Under the district system, the country would be divided into regions, based on number of voters. Each area would elect its representative.

As happened in the Constituent Assembly of 1987/88, the concept of district voting will be discussed again during the upcoming revision. The question is controversial. A poll commissioned by O ESTADO from Soma Opinion and Market shows that 48 percent of deputies and senators are in favor of the change, 10 percent would support the adoption of the system with restrictions, and 40 percent want to keep the proportional method of selection. The legislators are not, however, thinking of dropping the current model completely. The idea would be to combine proportional representation with district voting, by adopting the German system. Half the seats in the Chamber would be filled by deputies elected from party slates according to the rules now in effect, and the other half would go to the representatives of districts—electoral regions—determined by majority vote. Legislators from the PSDB [Brazilian Social Democracy Party] (65 percent) and the PPR [Progressive Renewal Party] (59 percent) are working hardest to change the voting system.

Possibility Gets Backing From 49 Percent

	House Represented		Region					Total
	Deputies	Senators	North	Northeast	West Central	Southeast	South	
In favor	49%	42%	55%	43%	59%	46%	53%	49%
In favor, with restrictions	4%	4%	5%	2%	4%	7%	-	4%
Against	45%	50%	40%	51%	36%	45%	44%	45%
Don't know	2%	4%	-	4%	-	2%	3%	2%

Source: Soma Opinion and Market

* Britto Gains Ground as PMDB Presidential Candidate

94SM0028B Sao Paulo ISTOE in Portuguese 29 Sep 93 p 36

[Article: "The Britto Option;" introductory paragraph in boldface as published]

[Text] **This minister is gaining ground and trying to consolidate his position as PMDB [Brazilian Democratic Movement Party] candidate for president of the republic.**

There is an obstacle in the path of the presidential hopefuls. Its name is Antonio Britto Filho. Loaded with the prestige he has earned as minister of social security, that journalist from Rio Grande do Sul, born 41 years ago in Santana do Livramento, is emerging as an increasingly strong contender to represent his party, the PMDB, in the race to succeed President Itamar Franco. "If he is not our candidate, it will be only because he does not want to be," says an enthusiastic Deputy Maurilio Ferreira Lima (PMDB, Pernambuco). Exaggerations aside, Britto is emerging as the PMDB's principal choice if former Sao Paulo Governor Orestes Quercia and Senator Jose Sarney (Amapa) are unable to consolidate their campaigns. Even with the party divided, Britto is one of the few nationally known PMDB politicians able to share a platform with with most of the party bosses.

His biggest asset, however, is his great popularity with 14 million retirees and pensioners thanks to his payment of the 147-percent increase that the government failed to add to old-age pensions in 1990. Now Britto is facing another similar problem, but one whose financial impact will be three times greater. It concerns a bill for $3.6 billion that was presented to the government by virtue of a ruling handed down by the Federal Supreme Court

(STF) on Wednesday the 22d. The STF ruled that all social security recipients who had received monthly benefits amounting to less than one minimum wage between October 1988 and July 1991 must be paid the difference. At first glance, it all appears to be no more than a huge mess. Even after suspending payments to the Ministry of Health and moving up its collection of the tax on wages for the 13th month from January to December, the Ministry of Social Security will still have trouble covering a $500 million deficit. Once it finds the money, however, this episode may further improve Britto's chances as a candidate.

The minister quickly got things moving as soon as the STF announced its decision. By late the next afternoon, he had already obtained the support of President Itamar Franco, Minister of Finance Fernando Henrique Cardoso, and congressmen from various parties for an extremely appealing strategy. It was agreed that the government would not resort to any means to delay payment to the 7.5 million individuals directly benefiting from the STF's decision. To start with, the executive and legislative branches will wait for the STF to rule on the controversy surrounding Finsocial and its successor, Cofins. There is strong expectation that the court will rule in favor of the National Treasury, in which case the latter will receive an injection of at least $6 billion. If that does not happen, Congress and the administration will discuss other possibilities for financing the payment.

A former director of the Globo Network in Brasilia, Britto was twice elected federal deputy after winning fame as spokesman for former President Tancredo Neves. He was invariably helped by his ease in communicating with people and by the generous amount of space allotted to him in the media. A skillful man, he managed to win supporters even after he caused a gap in hospital finances by suspending transfers of funds. His strategy is like that of the poor man who pulls the blanket over his head and leaves his feet exposed. Except that Britto made people think he was covering everybody. A formal person, Britto addresses all his advisers in the ministry as "doctor." And he is not in the habit of discussing politics with them. When curious people approach him with questions about his political future, he usually evades the question: "I have an agreement with life. It does not hurry me, and I do not get in its way." But he is certainly a candidate in the 1994 elections.

To secure his position as presidential candidate, he will have to deal with the strength of the Sao Paulo PMDB. Together, Sao Paulo Governor Luiz Antonio Fleury Filho and his predecessor Orestes Quercia have the support of half the party, as was proven at the PMDB National Convention on the 12th. "The Sao Paulo PMDB will march united in the election campaign," Fleury said as recently as this past Thursday the 23d. If Britto does not make enough inroads among Quercia's and Sarney's supporters to dive headfirst into the presidential campaign, he will decide between running for a seat in Congress (either the Senate or the Chamber of Deputies) and campaigning for governor of Rio Grande do Sul, in which case his rival for the PMDB's nomination will be the deputy and radio broadcaster Mendes Ribeiro.

* Virtues, Shortcomings of Franco's Personality Seen

94SM0028A Sao Paulo ISTOE in Portuguese 29 Sep 93 pp 32-34

[Article by Mario Sabino: "The Forelock That Changed Everything;" introductory paragraph in boldface as published]

[Text] **Following Indiana Jones-style delusions of grandeur, Brazilians now have as their president an ordinary man who does not want to be a hero. Contrary to what it seems, that is not so bad.**

It was a year ago that Brazil cut Fernando Collor down to size and lifted Itamar Franco by his forelock. Jet skis were replaced by Volkswagens, Rosanes by Lisles, and Miami by Juiz de Fora. The shock of reality caused the hair on the furs bought on Boulevard Haussman in Paris to stand on end. Considering the somewhat rumpled appearance of our current president, we seem to have moved a little farther away from the First World. One suspects that his style accentuates rising inflation, social violence, and the entire menu of things that spice up our lives every day. Many people even think that if he cut his hair, anything might happen. The important thing, then, is to ask in a loud and clear voice: "Mr. President, keep your forelock! Flee from hair gel like the devil flees from the cross! Don't hang yourself with a Hermes necktie!"

It is impossible to deny that Itamar is genuine both in his shortcomings and in his virtues. Itamar is outspoken, and the hangover from the excessively secretive Collor era called for someone like him. He makes no effort to hide the fact that he keeps his grudges in the refrigerator, as Tancredo Neves once said about him, nor is he concerned to exhibit great decisiveness. When he was called pusillanimous by journalist Luis Nassif—whom he is now suing for defamation—the president turned to his dictionary to pluck out the meanings of that completely unedifying epithet. His research ended, he declared: "Fearful I am not. Cowardly, I am not that, either. Craven I am not. Indecisive: ah, that I am." His courage, incidentally, could be verified when he planted a kiss on the mouth of actress Norma Bengell. That was one occasion when indecisiveness might have been more salutary, but Itamar is an impulsive man.

That last-named characteristic usually pays dividends and causes damage in equal proportions. His suggestion that Volkswagen start producing the "bug" again was an impulse that turned out to be a stroke of genius in marketing terms. The little car is outdated from every technical standpoint, and the common man finds its price as affordable as the daily rate at the luxurious Waldorf Astoria Hotel in New York. But who really cares? By expressing that desire, Itamar was expressing

nostalgia for a time when simple formulas were within reach and sufficed to improve the world. The far-away simplicity of Minas Gerais cheese, coffee in late afternoon, and Sunday drives through the center of town are nirvana for countless compatriots struggling to find what they need just to survive.

Impulsiveness became a liability when Itamar threatened to appoint a civilian to the Ministry of Army. Irritated by the criticisms being directed at the government by General Zoroastro de Lucena, who held that cabinet post, the president went too far. Even the crumbling stones of Sao Joao Del Rey know that someone in a white collar commanding the olive-green corporation is more than Brazilian democracy can stand. The impression that came across was one of bravado. Somewhere between the wins and losses were the yells he bestowed on the congressmen investigating corruption in the National Denationalization Program. "I will not permit any suspicion concerning this administration. This administration is honest," blustered Itamar, his eyeglasses, and his forelock. Anyone eyeballing the situation would say that the effect of the episode was a technical tie; a lot of people enjoyed it and would certainly have paid all the taxes they had cheated the government out of just for the chance to bellow at deputies and senators in that way. A good portion of public opinion believes, however, that situations of this kind should be greeted with Rasputin-like coolness, at least in front of the TV cameras. What lingers is the impression of a lack of control slightly reminiscent of the Alagoas Republic.

Another disconcerting event was the dismissal of Minister Luiza Erundina of the PT [Workers Party] by telephone. Former U.S. President George Bush was visiting Brazil at the time, and he was greatly amused by the story. Firing ministers by telephone is not exactly a rule followed in civilized countries. Be that as it may, Erundina herself came under fire for bad behavior soon after that. Deeply stirred, the ingenuous Erundina said she had never seen "anybody more stupid than Itamar." As can be seen, ingratitude has no ideology. The president, however, did not make an issue of that affront to Planalto Palace; instead, he shot back: "It is true. And I showed my stupidity when I appointed her." There was also a bearded kibitzer who cast some affectionate aspersions in the direction of Itamar's mother. In that case, the attack was handled with discretion: there was no response in kind.

Moving along now to the field of love, where several figures in the Collor era took great pride in cutting a swathe with unbelievable brazenness, the country has still not adjusted to the fact that there is no First Lady. Rosane Collor left a real gap in the national imagination, not to mention the financial hole in the welfare institutions she headed. Hopes rapidly vanished: Lisle danced, Flavia was a mistake, the mysterious blonde was his secretary, and Denise was only a possibility. The president is not likely to find a better half before the end of his term who can take over the top spot in the LBA [Brazilian Welfare Legion]. But he does not seem unhappy in his single state, although all indications are that it is useless to resist: Lisle is the woman who will be fixing his cheesebread after he gives up the presidential sash.

The general opinion is that the president's luck is extraordinary. The mountain is always coming to this Mohammed of southern Minas Gerais. Jose Aparecido de Oliveira, the eternal friend of those in power, has said that every morning fate knocks at Itamar's window and says: "What are we going to do today?" When he takes the trouble to answer, he is capable of surprising even experienced tarot readers, as happened on the day when he appointed a citizen above all suspicion, Eliseu Resende, to the Ministry of Finance. Or when he decided to establish the Ministry of Medicines—to defend the weak and oppressed from the high price of medicines and pills, no less. The latter idea was fortunately abandoned, but Itamar has not retreated an inch from another idea that is interesting, to say the least. He decided to take his inspiration from the figure of U.S. President Franklin Delano Roosevelt, who courageously faced the Great Depression in the early 1930's. Itamar had a film on the subject shown during a cabinet meeting, and when it was over, he added his optimistic bit: "If they were sunk in a crisis and got out of it, why can't we?" That is certainly a reasonably kind way of saying that our country is a four-letter word beginning with "s."

Genuineness, impulsiveness, and a touch of oddity. Itamar's downpours of rash behavior are not a symptom of more serious imbalances; they can be found in the best members of the best families. In short, and to say it straight out, Collor's successor is not crazy. His history is that of a normal person who is sometimes right and sometimes wrong and is concerned to pass on to his descendants the image of an honest man. Like you, me, and the corner barber. Perhaps he is too ordinary for the presidency of a country as unordinary as Brazil. Perhaps he would have done better at the head of a nation which, being highly prosperous and self-regulated, did not need an Indiana Jones. But since the trash can of history is full of heroes, let us rest peacefully with Itamar Franco. If by some miracle inflation should slow a bit, we will have the feeling that his vices and strange decisions are no more than the idiosyncrasies of a carefree Finnish president. And that is certainly a feature of the First World.

Chile

Aylwin, Politicians View Carabineros Incident On 21 Oct

PY2610152493 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0000 GMT 26 Oct 93

[Text] President Patricio Aylwin insisted today that Carabineros personnel performed their duty during the clash with subversives last 21 October. This afternoon Aylwin visited those injured during the shoot-out.

Quite unexpectedly, Aylwin appeared at the hospitals and clinics where the victims of the shoot-out between criminals and the police are hospitalized. At each institution, Aylwin chatted with the relatives of the injured, conveying the government's solidarity.

[Begin recording] [Unidentified reporter] Is the payment of an indemnity a way of acknowledging a mistake?

[Aylwin] That is my speciality as a professor of law. In administrative law, there are two types of cases in which the state is liable for damages. [end recording]

The first, he said, is when government officials are to blame for some negligence and the state can be held responsible. The second is when the state is liable even though it is not negligent; this is called administrative risk.

[Begin recording] [Aylwin] Society, in whose defense the police acted, caused this damage—regardless of whether excesses were committed or whether there was negligence, which will be decided by the courts—and so society must indemnify, compensate, or redress such damage.

[Reporter] Is there no reason to question the actions of the Carabineros personnel?

[Aylwin] Well, I have no reason to believe... [changes thought] to question their actions. I believe it is very easy to speculate. I may come up with many theories about how I would have acted. But should they have allowed them to get away, to start the engine, or should they have chased them? If they decided to chase them, should they intercept the bus? Should they have waited until the passengers left the bus one by one? Like that, they would not have known who the culprits were. They chose to intercept the bus, and I would have done something similar. The fact is that the noncommissioned officer had no sooner gotten out of the car than he was shot dead. This apparently triggered the whole affair. In any case ...

[Reporter, interrupting] [question indistinct]

[Aylwin] I do not know whether it was lack of preparation. I am not qualified judge that issue. I believe the Carabineros personnel did their duty by chasing criminals who had committed a flagrant crime. [end recording]

The government will submit to Congress a bill seeking to compensate the victims of the shoot-out between Carabineros' personnel and criminals in Las Condes neighborhood on 21 October.

[Begin recording] [Unidentified reporter] The government believes the victims of the clash suffered damages that are deemed special, abnormal, and unusual.

[Ministry Secretary of Government Edgardo Riveros] Justice and the constitutional principle of the equal distribution of public duties demands that society—represented by the state—should compensate these damages. [end recording]

The draft bill will be submitted to Congress next week. The subject of the clash was exhaustively discussed during the regular Monday meeting of leaders of the members of the Coalition of Parties for Democracy [CPPD] and ministers.

The CPPD leaders were informed that the government has asked the Carabineros for a detailed report of what happened.

Let us hear the opinions of the main CPPD leader.

[Begin recording] [CPPD Deputy Victor Rebolledo] We deplore the method used by the police which resulted in the innocent victims about which we are all aware. I have asked the Carabineros director general for a meeting this week to discuss this subject.

[Christian Democratic Party President Gutenberg Martinez] We obviously endorse the actions of the government and the Carabineros in its capacity as an institution. The struggle against delinquency must be effective. This must be carried out, taking the citizen's rights into account.

[Reporter] Do you not think the Carabineros went overboard on that occasion?

[Martinez] One cannot judge the subject. An investigation is being carried out for this reason. I believe what happened was not normal.

[Socialist Party President German Correa] The procedures used must be exhaustively reviewed. In this case a public transportation vehicle was involved and several passengers were held hostage. We believe wrong procedures might have been used during the events that followed. [end recording]

Senate President Gabriel Valdes also referred to the subject during a news conference in Concepcion.

[Begin Valdes recording] In my capacity as a Chilean citizen and politician I cannot but endorse the actions of the Carabineros. If they are responsible for abuses, the situation must undoubtedly be corrected. But I am not neutral regarding criminals, terrorists, and the institution the Republic has to guarantee safety for you, me, families, children, and the elderly. [end recording]

Colombia

Escobar Apparently Would Surrender if Family Safety Guaranteed

PA2810025793 Madrid EFE in Spanish 0130 GMT 28 Oct 93

[Text] Santa Fe de Bogota, 27 Oct (EFE)—Pablo Escobar, fugitive leader of the Medellin Cartel, would surrender if the government facilitates the departure and

stay of his family abroad, the "1900 Television Newscast" reported on 27 October.

According to the source, the mafioso "is only interested in his family's safety as a condition to surrender."

Escobar escaped from the Envigado Prison, known as "La Catedral," on 22 July 1992. It has been said on several occasions that he is "about to surrender" or that "he is negotiating a new surrender," said the Office of the Prosecutor General.

The mafioso's relatives, who have been persecuted by his enemies and were forced to live underground "somewhere in Colombia," tried to leave the country on several occasions.

Members of his family were expelled from Chile months ago and others were "invited" to leave Costa Rica.

Weeks ago it was reported that the Office of the Prosecutor General was taking steps to obtain visas in certain countries, without specifying which, for family members of the Medellin Cartel leader. It was also said that they are receiving special protection as any Colombian would. [sentence as received]

Search Bloc Operations, Results Detailed

PA2710150093 Santa Fe de Bogota EL NUEVO SIGLO in Spanish 17 Oct 93 p 9

[Report by Luis Eduardo Carrillo]

[Text] The Medellin Cartel, one of the most powerful drug cartels in Colombia and the world, has lost its capability to act. Its military branch has been reduced by the deaths of 145 men, including 12 commanders, in clashes with the Search Bloc. Fifteen leaders have been arrested, and 22 members have opted to surrender to justice.

This special force and the Administrative Department of Security [DAS] have managed to captured an additional 1,314 criminals at the service of the Medellin Cartel, including men charged with the assassination of important leaders, magistrates, judges, reporters, and Armed Forces members.

Since its inception, the Special Joint Command, which is made up of the Army, DAS, and National Police, has been involved in a daily battle against the criminal and terrorist organization led by Pablo Escobar Gaviria, who is in hiding.

"Not everyone who was in the organization is still around," one of the elite force's officers said while explaining that the network led by Pablo Escobar Gaviria was one of the most powerful in terms of military and operational capabilities, intelligence systems, infiltration, and economic power.

Nevertheless, the organization has shrunk under the constant blows to its military structure and financial network.

The Search Bloc has almost all the necessary elements to counter drug trafficking activities at every level. It spares no effort to locate Pablo Escobar, the most sought after man in Colombia and the world.

Its activities to date include more than 50 directional searches, 10,500 raids and searches, 170 operations involving the use of all its forces, 2,000 checkpoints, 1,000 observation posts, 39 scouting detachments, and 300 reconnaissance operations. The Search Bloc has seized more than 1,260 handguns and rifles.

Official statistics revealed to EL NUEVO SIGLO also indicate that 1,339 arrests have been made involving men and women at the service of the Medellin Cartel.

Likewise, 145 of Escobar's men, including 12 of the most important leaders within his military structure, have been killed in various clashes between the Special Joint Command and bands led by Escobar.

Official figures also reveal that 26,530 rounds of ammunition of various calibers, 57 vehicles, 273 communications sets, and 7 tons of dynamite have been seized. Furthermore, 1,200 primers have also been seized.

The military commanders killed in clashes with the Search Bloc include Jhonny Edilson Rivera Acosta, alias El Palomo; Brance Alexander Munoz Mosquera, alias Tyson; Mario Alberto Castano Molina, alias El Chopo; Juan Carlos Ospina Alvarez, alias El Enchufe; Hernan Henao Quintero, alias H.H.; Victor Giovanny Granados, alias El Zarco; Leonardo Rivera Rincon, alias Leo; Leopoldo de Jesus Marin Rios, also with the alias Leo; Francisco Javier Munoz, alias Conavi; Carlos Andres Lopera Willis, alias Turquia; and Alfonso Leon Puerta Munoz and Alberto Puerta Munoz, alias El Angelito and La Cuca, respectively.

The Search Bloc has captured 1,314 persons—including 15 of its most famous leaders and squad leaders—in its struggle against the Medellin Cartel.

These people are Sergio Alfonso Ramirez, Alejandro Arrieta Polania, Romel Alexis Munoz Mosquera, Jhon Jairo Posada Valencia, alias El Titi, Jhon Jairo Soto Velasquez, alias El Zarco, Hugo Jaramillo Buitrago, Jose Luis Henao Chaparro, Henry de Jesus Gomez, Juan Guillermo Enriquez, Pedro Fernando Chunza Plazas, Juan Carlos Londono Sanchez, Luis Fernando Acosta Mejia, Guillermo Gerardo Sossa navarro, Luis Fernando Cordova Velez, and Juan Guillermo Ramirez Fernandez.

Jhon Jairo Posada Valencia, alias Titi, one of the arrested terrorist leaders, decided to accept the benefits of the policy that involves cooperating with the authorities. He squealed on his comrades and revealed to the Prosecutor General's Office evidence and important

"secrets" about the Medellin Cartel—even about high-ranking members of the criminal organization and Pablo Escobar himself.

Now Posada Valencia, alias Titi, enjoys the benefits of a special protection plan and lives abroad with his family.

In its constant activities, the Search Bloc was able to penetrate the cartel's core and decipher almost all of its financial network.

It is reported that Diego Londono White, who turned himself in to the Attorney General's Office, is also part of Pablo Escobar's financial network. The authorities and the Attorney General's Office have secret lists of other persons who control the financial network. With their operations against the economic infrastructure of Escobar's network, the authorities have been able to freeze bank accounts in Colombia and abroad and break Escobar's economic power.

During its offensive operations against the Medellin Cartel the Search Bloc has lost 120 men, including officers, noncommissioned officers, agents, and auxiliary policemen.

The figures indicate that three officers, seven noncommissioned officers, and 103 agents have been killed by gunmen who work for the cartel.

Six auxiliary policemen and one plainclothes policeman have also been killed. Following Escobar Gaviria's escape from prison, 50 citizens have been killed and 127 have been injured by car bombs in Medellin, Santa Fe de Bogota, and the oil port of Barrancabermeja.

* Polls on Candidate Preferences Compared

94SM0047A Santa Fe de Bogota CROMOS in Spanish 27 Sep 93 pp 31-33

[Text] Two major bimonthly political polls that accurately gauge the public's opinion of presidential candidates have prompted Colombians to think about their very near future. They are the poll by the National Consultancy Center (CNC) for CROMOS and Caracol and the poll by the Yankelovich firm for EL TIEMPO.

Broadly speaking, the findings of the two surveys are very similar. The election is 36 weeks away, however, and the race is just beginning. In any event, as of now the battle for the presidency (or at least the battle of the polls) is clearly boiling down to two names: Pastrana and Samper.

And the latter still has a major question mark, the primary, ahead of him.

The selection of the vice presidential candidates seems increasingly important with each passing week; moreover, they will be decisive in view of the virtual tie between Samper and Pastrana now, before their running mates are known.

Questioned by CROMOS, the managers of the National Consultancy Center clarified some technical aspects of the polls and made the necessary comparisons between the CROMOS and Caracol poll and the EL TIEMPO poll.

They indicated that:

The two opinion surveys conducted independently not long ago by two separate firms on the presidential hopefuls have yielded data that differ on some points, for which reason certain methodological factors need to be taken into account.

Below is a methodological comparison that seeks to point out differences in the procedures of the two polls that could be the source of their different findings.

The Two Polls

Firm	National Consultancy Center	Yankelovich-Innova
Date	31 August-1 September 1993	4-11 September 1993
Size	809	1,466
Margin of error	3.5 percent	2.5 percent
Universe	Potential voters	General population over age 18
Cities	Bogota, Medellin, Cali, Barranquilla, Bucaramanga	Bogota, Medellin, Cali, Barranquilla, Bucaramanga, Pereira
Published by	CROMOS/Caracol	EL TIEMPO

Comparison of Results, Liberal Primary

Candidate	CNC (percent)	Yankelovich (percent)
Ernesto Samper	43	37
None	17	24
Humberto De la Calle	13	16
Carlos Lemos	9	11
Not sure/no answer	9	9
David Turbay	3	3
Rodolfo Gonzalez	2	2
Luis Sorzano	1	0

As we can see, the ranking of the candidates is the same in both polls. The numbers differ significantly in the vote for Samper, who gets 37 percent in the Yankelovich poll and 43 percent in the CNC survey. This gap could be due to the high percentage of "none" responses in the Yankelovich poll.

Comparison of Results, First Round of Presidential Balloting

Candidate	CNC	Yankelovich
Andres Pastrana	36	26
Ernesto Samper	27	24
Carlos Lemos	5	8
Enrique Parejo	6	5
Miguel Maza	8	7
Antonio Navarro	11	11
None	6	13
Not sure/no answer	2	6

In examining the above numbers, we can see that the position of the presidential hopefuls is very similar in the two polls. The biggest difference is between the likely vote for Samper and Pastrana, as the CNC poll has Pastrana nine points ahead, while the Yankelovich poll has him just two points in front. Another significant discrepancy, which may partially explain this, is that in the CNC poll 8 percent say "none" or not sure/no answer, while in the Yankelovich survey 19 percent give these responses, an 11 point difference.

The following conclusions can be drawn:

1. From a methodological standpoint, the two polls (CNC and Yankelovich) are different, as can be seen from the comparison of methodological data, and for this reason they are not strictly comparable.

2. The polling firms are coming to terms on one and the same methodology so that different polls can really be compared.

Liberal Party Presidential Candidate (percent)

Candidate	CROMOS Poll	EL TIEMPO Poll
Ernesto Samper Pizano	42.5	37
Humberto De la Calle	12.9	16
Enrique Parejo Gonzalez	9.7	—
Carlos Lemos Simmonds	9.4	11
David Turbay Turbay	3.4	3
Rodolfo Gonzalez Garcia	1.6	0.7
Luis Guillermo Sorzano	0.8	0.3
None	16.7	24
Not sure/no answer	3	9

Conservative Party Presidential Candidate

Candidate	CROMOS Poll	EL TIEMPO Poll
Andres Pastrana	60.6	48
Roberto Gerlein Echeverria	3.8	4
Rodrigo Marin Bernal	3	3.5
Rodrigo Llorente	2.4	2
Gabriel Melo Guevara	2.2	3.4
None	21.4	30
Not sure/no answer	1.8	6

Which Candidate Would You Vote for in the First Round of Balloting?

Candidate	CROMOS Poll	EL TIEMPO Poll
Andres Pastrana	36.4	27.2
Ernesto Samper Pizano	26.6	26.1
Antonio Navarro	10.6	11.3
Miguel Maza	8	7.6
Enrique Parejo	5.5	6
Carlos Lemos	5.3	—
None	5.7	13.7
Not sure/no answer	1.9	8

Note: If Carlos Lemos decided to go directly into the first round, he would get 8.1 percent, and the vote for the others would drop one or two points.

Which Candidate Would You Vote for in the Second Round of Balloting?

Candidate	CROMOS Poll	EL TIEMPO Poll
Andres Pastrana	47.1	38.3
Ernesto Samper Pizano	39.3	38.3
Neither	11.8	18.8
Not sure/no answer	1.8	4.5

Paraguay

President Wasmosy Outlines Economic Reforms

PY2710190793 Lambare Radio Cardinal in Spanish 1612 GMT 27 Oct 93

[Speech by President Juan Carlos Wasmosy during lunch hosted by Paraguayan-American Chamber of Commerce at Gala Hall in Yacht Club in Lambare, broadcast in progress—live]

[Text] I am sure that rather than listening to a litany on what has already happened, this big audience is more eager to know what will happen. Gentlemen, I want to be very frank. This country is going to change. [applause]

We have set for ourselves the great task of transforming this beautiful country so as to achieve the welfare that our people deserve.

In the displayed charts we will outline the basic topics of this conversation among friends.

We assumed power by virtue of the people's will, in the free democratic process underway in our country. We are fully convinced that Paraguay should never again veer away from it.

It is for this reason that we will defend democracy with all our force, burying forever all forms of authoritarianism.

We are sure that the Paraguayan people and the international community only recognize governments elected through democratic procedures.

The state of law is the only guarantee for the freedom of institutions and people. It is based on the principle of equality before the law.

We cannot talk about sustained development unless it is based on legal guarantees, respect for people and properties, and on the possibility of punishing violations of the law, submitting those who are found guilty during a guaranteed indictment to civil or criminal penalties.

In the economic area, my government is implementing all necessary structural reforms to turn this nation into an attractive, safe place for both foreign and domestic capital.

I will now refer to some of those reforms.

The slogan under which my administration operates is: All unnecessary bureaucracy will be eliminated.

As an example, we will begin by permitting the very fast creation of corporations, eliminating the intervention of the executive branch in recognizing their legal status or approving their statutes. [applause]

In modern countries, these steps are completed in a few hours. In our country, however, it takes months to complete them; the only result being to discourage new projects.

Smuggling and tax evasion are evils that have taken deep root in our society. They are the infectious centers of corruption.

We should eliminate them, and the sooner the better. Yet we should be aware that there are many factors that obstruct their final elimination: one of which is the tax issue.

For this reason, we will modify the laws in order to broaden the base of the value added tax [VAT] by eliminating the Single Tax. This will give uniformity to the entire system of transactions, most of which will be covered by the VAT.

Similarly, the nominal income tax payment will be reduced, and we will expand tax-deductible expenses to reduce the actual amount paid. This will put taxes at a reasonable level and will promote the capitalization of enterprises. [applause]

Our country does not have direct access to the sea and suffers the negative impact of river transportation surcharges. We should endeavor, therefore, to reduce transportation costs.

It is also contradictory that we impose taxes on international freight. We will correct this mistake.

Similarly, we will revise port fees, so that they are collected on those services that have been actually rendered, based on a criterion of rationality and at real cost levels, so as to avoid disqualifying our country in international competition.

Seeking to make trade legal and competition more fair, tariff systems will be reformed. Restrictions on imports will be lifted and previously prohibited articles will be freely and openly sold in the country. The customs valuation system will be replaced to ensure that prices are established on an accurate and objective basis. It is necessary to simplify import and export rules. The law on general storage and warehousing will be modified to facilitate local and international trade and enforce guarantees to ensure the payment of taxes.

These measures seek to eliminate barriers that prevent trade from being legal and agile. The government will streamline procedures to remove all grounds for excuses for not paying taxes. The terms of the laws and their

implementation will be uniform. To this extent, supervision over businesses will be improved.

Changes in the financial system will begin through a revision of the Central Bank organizational chart in accordance with the new Constitutional rules. Thus, its role as the currency stabilizer will be ensured, since a stable currency is the cornerstone of a healthy economy. Bills on these changes are about to be sent to Congress.

Simultaneously, the entire governmental credit mechanism—and that of the private sector—will be reformulated to make it possible to operate through new mechanisms, which will be created. Legal reserve requirements will be reduced to the level of technical reserve requirements. When there are reserves in the Central Bank resulting from deposits of marginal reserve requirements, they will be remunerated at market rates. [applause]

The role of the banks' superintendency will be strengthened to achieve an effective control that will freely and technically ensure the good functioning of the banking and financial systems. Usury will be fought and all public savings and money raising operations will be controlled. New instruments for money raising and investment of resources in the medium and long term will be created. The use of other currencies in financial transactions will be made legal, thus ensuring capital flow for investment and to finance capital goods.

These reforms seek macro-economic stability, the streamlining of public financing, diversification and effectiveness of the financial system, a reduction in interest rates, and expeditious transactions, as well as the use of internal savings to generate wealth.

Internationally, the country will enter the capital markets through the issuance of medium and long term bonds that will guarantee the creation of resources for the industrial area.

Domestically, the improvement of the stock market will be continuously supported, making it easier for companies to access that market and to facilitate a greater variety of negotiable instruments to generate alternative resources.

Laws on banks, financial, and insurance organizations will be updated to enable them to operate with greater security, confidence, and flexibility in their respective markets. They are also ready to be submitted to Congress.

Moreover, our institutions will adopt the securities and financial leasing [preceding word in English] system, as well as regulations applicable to trusteeships.

In the public area, an orderly fiscal discipline will be maintained through the rational use of resources resulting from a balanced budget, providing they are not cut by our advisers. [sentence as heard]

The continuous reduction of the inflation rate is the foremost objective, as is the progressive growth of the GDP. Our foreign and international debts must not be disregarded except when they are in conflict with infrastructure projects, improvements in the living conditions, of health, of education, and the financing of capital goods.

The budget law will be updated to better execute and control annual national expenses. These fiscal and economic policy measures will allow us to obtain plentiful resources at reasonable interest rates over the medium and long term. Such resources are necessary to buy capital goods that are not available in our market.

These measures will allow the creation of free industrial zones which will facilitate the establishment of industries to manufacture goods mainly for export.

An improved utility rates policy will be designed so as to make better use of our energy resources. Without doubt, a country that has a lot of clean and cheap energy and does not use it in its domestic industry is committing an unforgivable error in its economic development.

The investment promotion system will be updated according to the size of the projects, given that the current laws grant the same treatment to an investment of $1 million as to an investment of $100 million. This gives a wrong image because it seems that we are interested in attracting only small and middle sized companies.

Our imagination and creativity to attract capital must have no limits. We must compete with hundreds of countries that also want fresh investments. Legal status will be given to foreign investors who are currently wrongly considered to be immigrants.

International agreements to guarantee investments will be signed with interested countries. We are also willing to sign agreements to solve international conflicts and to simplify the international consular legalization system, as well as any other agreement that may facilitate the circulation of peoples and goods. Such agreements will allow Paraguay to join the rest of the world.

In other words, we will update our situation with the international community, surmounting all the barriers of isolation that for decades have mentally and materially smothered our people.

We will undertake the necessary steps to speed up the privatization of public companies that are outside the essential role of the state and which may be administered more efficiently by the private sector. This privatization process will be transparent and controlled, guaranteeing the participation of workers and of other involved sectors in keeping with the Constitution.

Until now, the country has not privatized one public company. The privatization process is currently at a standstill on account of Article 111 of the Constitution which needs to be regulated by law. Unfortunately 500

days have gone by since the Constitution was sanctioned and Congress has not passed the pertinent law. The executive branch will this week send Congress a draft bill on this subject to help speed up the privatization of public companies that are consuming our national resources without complying with their objectives. Even former Communist countries have privatized thousands of companies while we continue to waste time, funds, and effort.

The social security system will also be revised to guarantee the solidity of workers' contributions, ensuring that they are correctly used for their intended purpose and guaranteeing that they help to increase to our national wealth. We will establish a frank, sincere, and constructive dialogue with involved sectors, avoiding populist ideas which are so harmful. We will try to avoid the mistakes committed by other economies which lacked the bravery to face reality.

The law protecting intellectual and industrial property will be updated to ensure legal support for all material creations, allowing the transfer of technology and facilitating research.

Mining industry and hydrocarbon prospecting will be encouraged through rational policies that must consider the high risk status of our country in the field of exploration. We will take into account that royalties must be competitive for this region.

Fiscal policies will encourage forestry and reforestation activities, the rational exploitation of natural resources, and the protection of the environment.

In all, we are considering a total revision of the economic laws, seeking to implement a market economy to ensure free competition, to incorporate and reinvest capital and technology, to encourage exports, and to eliminate all barriers that prevent Paraguay from joining the rest of the world within an integration process.

With these and other economic reforms we will create jobs, generate wealth, and carry out a real and determined struggle against poverty. We are aware that the creation of new jobs will happen through new investments.

The business sector has a great responsibility. Those incapable of noticing the great changes that are about to take place and do not have confidence in the country will, sooner or later, see their space occupied by others. I can assure you that someone else will do the job.

We want to take advantage of this opportunity to point out some basic concepts. We are strongly convinced that enough mistakes have been made throughout our history on behalf of the social sector. [applause] The mistakes made by those who thought they could safeguard the peoples' wellbeing by means of laws over a short or long term have only brought suffering, misery, and unhappiness to their fellow countrymen. Wellbeing can be attained through wealth, and wealth is attained through work, individual economic freedom, and the streamlining of public finances. [applause]

Just as the international community has established human rights to safeguard the right to life, education, and health for all, there also exists the right to work. Those who cannot work represent both a social burden but, above all, they are human beings whose dignity has been lost. Countries with high unemployment rates are destined to misery, delinquency, uncertainty, and insecurity. We live in a highly competitive world of interdependent economies. The world today is fighting a recession that affects the poorest countries more than it does the richest countries, although the later do not completely escape this scourge.

The average unemployment rate in Europe is currently over 12 percent and is tending upwards. Spain has almost 25 percent, while France, Germany, Switzerland, and most other European countries have reached worrying levels. How should we react to this phenomenon? Must we demand more strict or more flexible labor laws? Many countries have learned, after huge sufferings, that economic situations impose their own rules and that those who do not acknowledge this collide with reality. They have learned that wellbeing and job opportunities are not attained through laws approved by Congress, they have learned that flexible labor laws are the rational way to favor full employment and to avoid misery and the destruction of the people. [applause] The socialist government of [Spanish Prime] Minister Felipe Gonzalez has realized this and is trying to make their labor laws more flexible.

Paraguay, too, is not free of the threat of recession and unemployment. Our unemployment and underemployment levels are also a matter of concern. We must defend our fellow countrymen by not allowing the implementation of a labor code that may be harmful to the country by being inflexible and entailing contractual terms which small enterprises and the rural sector, among others, find hard to meet. The government's answer should entail a law to promote full employment which will grant the entire citizenry access to employment. Is it fair for our people to suffer and pay the consequences of the lack of job opportunities because their government authorities are incapable of acting in a patriotic manner or of giving up the populist ideas that have done enough harm to the entire world? [applause]

The drafting and veto of the aforementioned labor code took place before I came to power. Therefore, in compliance with the current Constitution, my government is unable to do anything about it. Concerned over the fate of our fellow countrymen, I have taken the initiative to invite interested parties to try to find consensus formulas. I am still hopeful that the mistakes of this law may be corrected. I hope that those responsible for accepting or rejecting the veto will act free of sectorial interests and without seeking circumstantial political gain. [applause]

I trust that the Senate will act correctly, accepting or rejecting the veto and establishing in a new code the changes to allow our fellow countrymen the possibility of earning a living through honest work.

Here I also want to take a break and state very clearly that my task as president requires the resolute support of Congress, which sanctions these laws. Current times require harmony in the consideration of these reforms that we are viewing.

Expediency in discussing these reforms is required and it is essential to understand that Paraguay is rightfully entitled to achieve grandeur.

Nevertheless, transformations and wellbeing will only be achieved through the work of each of us and through the coordinated, serious, responsible, honest, and patriotic work of all state branches. [applause]

No one will just hand us the fortunate future that we eagerly want. Gentlemen, we are the only instigators and protagonists of our future. We must overcome the small-town drowsiness to which we have been subjected. There is a saying that the ruler must first set the example. I modestly offer mine. During our administration, there will be no more siestas or dusk breaks to interrupt our governmental task. [applause]

During these first 60 days, not only we have studied and outlined these economic reforms, we have worked on social, educational, cultural, and many other areas in which we are considering transformations.

We have held personal meetings with many foreign heads of state and international organizations to confirm: First, the continuity of the democratic process about which the international community wants to be absolutely sure; and, second, to secure the essential foreign support for our projects in favor of the entire Paraguayan nation.

In all cases, we came back with (?objective) results that are translated into foreign support for our government programs.

I can mention $1 billion worth of financial agreements over the next five years, a $52-million agreement with the Inter-American Development Bank for improvements in education, and an offer by international private banks to purchase Paraguayan bonds, beginning with a $50-million issuance.

In just a few weeks, we solved the longstanding—21 years—unresolved Rio Pilcomayo problem, restoring its waters to our country.

We have reduced the crime rate by 50 percent. We have strongly hit drug trafficking. We have reduced contraband and improved tax collection. We have restructured the military and police commands.

We implemented the Peasant Development Fund in response to the need to improve access to rural credits, without the burden of a chain of middlemen. We have opened a stock exchange, which has been eagerly awaited for many years.

Through new working funds, we have made available enough money to finance agricultural campaigns, to reduce legal bank reserve requirements and to renew rediscounts. Two of these credits were granted before launching the agricultural campaign.

We have closed down the dungeons, a relic of a shameful past that must never return to our country. [applause]

We have opened the gates to all the segments of our population. We have carefully listened to their concerns, problems, and hopes.

We are beginning to receive new investors, which represents an encouraging sign that we already are on the path of the new time of great prospects.

In 60 days, we have expedited government actions and performed a long list of tasks. As an example, I want to emphasize the progress made in education, which represents one of the priorities of my administration. As you can see in this graph, the financial effort in this area is worth mentioning. It involves $112 million. You can see that most education programs have allocated or programmed financial resources, totalling more than $112 million in multilateral financial contributions.

An advisory council on education reform, including prominent personalities in cultural and educational endeavors, has been reinstated in the education area.

I believe it is important to emphasize that the Republic is going through a brilliant time.

The Governability Pact that has been formalized among various parties reflects the will of the national political society to establish rules of the game to guarantee a civilized coexistence among all Paraguayans. [applause]

This is an unprecedented agreement that seeks to consolidate the stability of republican institutions. We are pinning all our hopes on it because it introduces a fundamental change in the traditional style of doing politics—it introduces values such as agreement, dialogue, and the search for a constructive consensus.

Finally, I would like to say that what has so far been accomplished is not enough, notwithstanding the fact that we have been working very hard. We have accomplished some measure of success, but we have also made mistakes. We have achieved some goals, but many remain to be pursued and conquered. And yet, we have shown above all that, in my capacity as constitutional president of the Republic, we are consolidating our democratic system, strengthening respect for human rights, buttressing institutions and all freedoms, including the freedom of the press. We are well aware that there are incomprehensions and setbacks, but you may rest assured that nothing and nobody will break our spirit or weaken the endeavors of my government—as a

servant of the people—to build a better Paraguay, for which we all long, in the near future. Thank you, gentlemen.

Peru

Polls Show Increase in Support for No Vote

PA2710143793 Madrid EFE in Spanish 1919 GMT 26 Oct 93

[Text] Lima, 26 Oct (EFE)—According to the results of several polls made public today, the number of people who intended to vote against the new constitution in the Peruvian referendum to be held next Sunday has unexpectedly increased and could turn the exercise in a "Pyrrhic victory" for the government.

The "no" vote has increased four points from 26 to 30 percent, and the "yes" vote decreased three points from 47 to 44 percent, according to the private Apoyo S.A. firm, which said that this week will be decisive for the referendum's results.

Apoyo S.A. Director Alfredo Torres stated that if the "no" trend continues it will reach a maximum of 45 percent versus a possible 54 percent for the "yes" vote.

Such figures would mean a virtual political setback for the government as only a week ago Peruvian President Alberto Fujimori reiterated that the consultation will be a plebiscite on his administration and affirmed that 70 percent of the votes would be favorable.

Markets Investigation Company has also predicted an increase in the number of "no" votes, although to a lesser degree. That company reported that 39.8 percent of those polled favored a "no" vote, 60.2 percent favored a "yes" vote, and 9.9 percent were undecided.

Imasen S.A., another private polling company and the only firm that predicted Fujimori's unexpected victory in 1990, gave a different projection by indicating that the vote in favor of the new Constitution would win by 65 percent with the no vote receiving 35 percent.

The polls agreed that support for the "no" vote is more a rejection of important aspects of the new Constitution, especially the articles that limit free education and labor stability, than a vote against the government.

March Allowed by 'No Vote' Supporters

PA2710194593 Madrid EFE in Spanish 1619 GMT 27 Oct 93

[By Jose Bujanda]

[Excerpt] Lima, 27 Oct (EFE)—The National Election Board of Peru approved today, Wednesday, a march organized by supporters of the no vote on the constitutional referendum scheduled for next Sunday. The march called by the National Coordinating Board for the No Vote had been disallowed by the region's military leaders.

The decision coincides with increased support for a vote against the new constitution, according to results of the latest surveys released yesterday, Tuesday, which in two departments even prevail over the yes vote. Colombian Mario Gonzalez, chief of the OAS observer mission, on Tuesday requested authorization for the march called by groups and organizations opposed to the new constitution.

The representatives of the civic committees that make up the National Coordinating Board for the No Vote demanded that the National Election Board give them conditions and opportunities for their electoral campaign equal to those given to proponents of the yes vote.

Among the complaints of these civic groups, which are made up of opposition political and labor union groups from various populous districts of the largest cities in the country, are the destruction of their propaganda posters by soldiers, physical attacks on their members, and a lack of guarantees to conduct their campaign. [passage omitted]

Students Stage Second Day of Disturbances in Lima

PA2710190193 Lima Radio Programas del Peru Network in Spanish 1821 GMT 27 Oct 93

[Report by Rocio Vicente for the "Newspaper of the Airwaves" newscast]

[Text] For the second day in a row, San Marcos National University students are staging disturbances near the university campus on Venezuela Avenue. Students within the university grounds are covering their faces with handkerchiefs and throwing stones and tree branches at passing vehicles. Police are trying to control the situation by hurling tear gas canisters and firing water cannons at protesters.

Traffic is blocked at the intersection of Venezuela and University Avenues. We advise drivers to take alternate routes, such as Colonial Avenue. We see that passersby are running as police continue to hurl tear gas canisters at demonstrators. Police are asking the students to show their identification documents.

Again, we advise drivers to take alternate routes such as Colonial Avenue, because there are disturbances at the intersection of Venezuela and University Avenues near San Marcos University campus.

CCD President Discusses Constitutional Referendum

PA2810041293 Lima Radio Programas del Peru in Spanish 1400 GMT 23 Oct 93

[Interview with Jaime Yoshiyama, Democratic Constituent Congress, CCD, president, by Dennis Vargas Marin

and panel members Jaime Dalthaus, chief editor of EXPRESO newspaper; Augusto Alvarez Rodrich, chief editor of APOYO Publishing; and Arturo Salazar Larrain, former editor of LA PRENSA newspaper, in Lima on 23 October; from the "Saturday Focus" talk show—live]

[Excerpts] [Vargas] Good morning, ladies and gentlemen. In exactly eight days—on 31 October—approximately 11 million Peruvians, according to the National Election Board, will go to the polls not to elect the president, parliamentarians, or mayors but to do a simpler task: to say yes or no to a constitutional draft that comprises 206 articles. According to its defenders, this constitutional draft is reportedly efficient, renovating, and different with respect to the existing 1979 Constitution.

Today we are carrying the last "Saturday Focus" program we can do before the referendum, because next Saturday we will be restricted by the law which bans the airing of political propaganda; therefore, this program is key and definite for the purpose of determining how the campaigns are in favor of and against the constitutional draft and, finally, what the congressmen—the fathers of the creature—are saying, even if the intellectual author is someone else.

With us here today to talk about the details of the Constitution and the development of the campaign is Jaime Yoshiyama, CCD president. Congressman Yoshiyama, good morning. Welcome to "Saturday Focus."

[Yoshiyama] Thank you very much for inviting me to this important program, Dennis.

[Vargas] My pleasure. At this moment we are communicating with the entire nation via satellite and with the rest of Latin America via the Solar [Latin American Radio Broadcasting Society] newscast. We also are covering the U.S. east coast via satellite.

Today our panel members are Jaime Dalthaus, chief editor of EXPRESO newspaper; Augusto Alvarez Rodrich, chief editor of the APOYO Publishing House; and Arturo Salazar Larrain, former editor of LA PRENSA newspaper and panel member of "Saturday Focus." Ladies and gentlemen, at this moment we begin our program.

Mr. Yoshiyama, after visiting several towns in Peru asking Peruvians to vote yes on the referendum, can you say objectively—although this is rather impossible—what Peruvians have told you? Will they vote yes or do they still have second thoughts?

[Yoshiyama] What we have found throughout the country is that most people support the yes vote, with different degrees of approval, so to speak. I believe that the number of people in the northern and central part of Peru who will vote yes over those who will vote no is greater than in the south....

[Vargas, interrupting] Is there more opposition to the constitutional draft in the south?

[Yoshiyama] Yes. What happens in the south is that the representatives favoring the yes vote have not had the opportunity to explain the Constitution; consequently, the population is not well-informed. This is why over the past two weeks we have been trying to inform the people. I visited Cuzco, your homeland, as well as Puno, Ayacucho, Apurimac, and I realized more information was needed there. But in the measure that....

[Vargas, interrupting] Do you think more information was needed or people simply decided to vote no?

[Yoshiyama] No. I think there is lack of information there.

[Vargas] The opposition to the constitutional draft is rather a way of thinking in the south with regard to the government. You must not forget that the referendum also represents a plebiscite on the government. Probably those who will vote yes will not say yes to the Constitution but to President Fujimori. Do you view this as such?

[Yoshiyama] That is part of it too, but let me tell you that before in the southern part of the country the message had not been clear enough. I believe that it is important to tell citizens that the bottom line of this Constitution, namely the most important aspect of this Constitution, is the need to create more job openings.

How are we creating more jobs through this Constitution? By being able to attract investors so that they can invest their money in the country, build new factories, open mines, and develop the agriculture sector. For this to happen we need to provide security, confidence, tranquillity, and above all juridical stability to investors. This is the only serious way of creating jobs. How are we doing this? Through two large sectors. First, I believe this is being done because President Fujimori is being successful in the pacification program. We do not have Abimael planting bombs throughout the country. This is the most important thing. We need a country in peace.

Second, we need a set of modern, clear, and accurate laws, as provided by the 1993 Constitution; in other words, the 1993 Constitution offers the security, confidence, and tranquillity to attract investors to put their money in the country, ultimately resulting in job creation. We are explaining this to the entire nation.

We perceive, according to our private polls, that the undecided are definitely moving toward the side of those favoring the yes vote. We are intensifying our campaign in the southern part of Peru, where the debate has been practically mistaken. To be honest with you, in the south people thought that there would not be free education, because someone had told them this Constitution eliminated free education, which is untrue. Education will continue to be free at all levels.

Others in the south also said that there would be mass dismissals with this Constitution, which is untrue. This

Constitution creates more jobs, because this is the main objective of this Constitution. [passage omitted]

[Alvarez] I notice you are nervous regarding the results in the south of the country, and I do not know what information you may have. I think the results of next Sunday's elections are a foregone conclusion. I am certain that once the results are known the topic of these rather boring elections—for which everybody knows the outcome—will give way to the big issue of the upcoming presidential reelection. For that reason, I would like to steer you toward that issue. I want to discuss a basic aspect. The elections should take place in the summer of 1995. There are some reports, however, that they may be moved up to some point in 1994. My question is addressed to the CCD president, who is also an important political figure. When do you think the next presidential elections should be held? Has a decision on the matter been made inside the government?

[Yoshiyama] I would first like to explain that I feel no nervousness at all regarding any result in the south or the north, to be perfectly honest. In all modesty, I feel that the yes will win. We may win by one vote, but we are going to win. I feel no nervousness at all over the results. I think we will win the referendum of 31 October—as I said—even if it is by just one vote. We are going to win. I think whether we win by a 70 to 30 margin, 80 to 20 margin, 65 to 35 margin is a topic of more interest to analysts or political observers. As far as we are concerned, we are interested in winning by just one vote, because for us the referendum and the approval of the Constitution is simply another station in this very long route toward modernizing the country.

[Alvarez] Let's go to the next step. The Constitution is approved, and the next thing is the president's reelection. When will presidential elections be held, on what date?

[Yoshiyama] Presidential elections will be held in 1995 as scheduled. I have no information at all to doubt they will not be held in 1995 as scheduled. I think the elections will be held in early 1995 or in March 1995. You are suggesting the elections will be moved up, and I want to be emphatic about it so the people are not concerned.

[Alvarez] I was not suggesting it. I was merely asking it. The next topic I want to discuss is an assessment of the outlook on President Fujimori's reelection. The question that I want to ask now, and which will become a major issue, is how can we account for the differences in the surveys that we can discuss—not the other ones we cannot discuss—between the president's approval rating, which ranges from 65 percent to 70 percent, and the percentage of those who approve of his reelection, which only ranges from 40 percent to 45 percent. There seems to be a 25 percent to 30 percent gap between those who support Fujimori and those who are not thinking of or are not enthusiastic about his reelection. How can you account for this difference, because you are so close to the government?

[Yoshiyama] The basic thing is the president has not decided to be a candidate. The failure to reach a decision may be prompting the people to differentiate between his personal actions now and the possibility he may be reelected. I think that is the difference. When he makes up his mind, and if he decides to run again, and announces that he is a candidate and begins to act like a presidential candidate, I think things will be totally different. That is how I would account for it.

[Alvarez] If he decided against running, everybody's eyes would then turn to you. Not long ago, President Fujimori said during an interview with THE FINANCIAL TIMES that the survey taken by DEBATE magazine was off the mark, because the poll indicated that the second most powerful man in Peru was Vladimiro Montesinos. Fujimori said the poll was wrong, because the second most powerful man in Peru is Jaime Yoshiyama. My question is, what can you say about this view by the president, chiefly because it comes from someone who is careful about those around him? [Words indistinct] are you not regarded the government's heir?

[Yoshiyama] I do not doubt my actions in the government are those of an expert who is trying to support all of President Fujimori's reforms. I have no political aspirations at all. I think the whole nation expects the president will be the candidate. That is all. I have nothing else to say. As for the remark the president reportedly made that Yoshiyama would be the second most powerful man in the country, I think it is very kind.

[Alvarez] Because you are familiar with the power structure, what place would Mr. Montesinos hold in the pecking order in Peru?

[Yoshiyama] I feel it is highly speculative to say.... [pauses] I could not really give you....

[Alvarez, interrupting] Do you know him personally?

[Yoshiyama] Of course, I know Mr. Vladimiro Montesinos. I think that when history is written it will be very positive. I think he has worked very efficiently in fighting terrorism. All the negative views that have been given and are constantly being given about Montesinos' actions are arbitrary. I can attest to the fact that Mr. Vladimiro Montesinos is someone who is devoting great effort to fight terrorism.

[Alvarez] One often hears in government circles and even the president and his enemies talk of differentiating....[pauses] This is my question, how do you differentiate between the government's enemies and friends? What elements do you use to establish who is on either side?

[Yoshiyama] Don't you think you should ask the president? I do not understand the concept of....

[Alvarez, interrupting] No, your viewpoint, not the president's; how do you differentiate between the enemies and friends of the government? I imagine you put Mario Vargas Llosa on one extreme as an enemy of the government. Who do you place closest to your sector?

[Yoshiyama] I think that after these elections—because passions do arise, the temperature rises—everybody is excited during a preelectoral phase; all of this has to subside. Tension.... [pauses, changes thought] Calm has to be restored. The only way to make Peru keep going forward is for all Peruvians to have a minimum of agreement and union. To say who are enemies or friends would in my view seem unnecessary. I would heat things up; on the contrary, I think we must seek agreement and union, and, unfortunately, this will not be possible in the next 10 days.

Starting on 1 November, I think we must strive to have a discussion among all the political groups and reach the possibility of a greater dialogue.

[Alvarez] Changing the topic, you served the executive branch as transportation and energy minister and were the official in charge of privatization. [passage omitted] Don't you miss a little the posts of the executive branch? My specific question is, what areas of the government, at the level of ministries and the executive, should be buttressed next year?

[Yoshiyama] On the first question, serving the executive as transportation and energy and mines minister gave me great satisfaction. I must tell you that drafting this new Constitution—chiefly because I feel it reflects the most modern aspects of the developed world—has been a source of great personal satisfaction. To have been CCD president during the drafting of the new Constitution has allowed me to experience a great deal of satisfaction. I feel most gratified and thank those who elected me to the CCD; for that reason, I do not feel bored by the work.

Second, I think the most important thing the CCD and government must do now is to be vigilant. I think much remains to be done in many areas. When we visit different regions, we see there are corrupt officials, corrupt judges, and we must begin to clean this up. There can be no democracy as long as there is corruption. Being vigilant is one of the tasks the CCD will undertake soon. I believe this is a very pleasant task for the 80 congressmen, because we are going to be involved in the moralization process in the country. [passage omitted]

Constituent Congress Sessions Suspended Until 2 Nov

PY2710131093 Lima LA REPUBLICA in Spanish 14 Oct 93 p 3

[Excerpt] Without the presence of opposition members—who left Congress to protest approval of the FONAVI [National Housing Fund] law—the ruling party bloc swiftly approved a series of bills and proposals.

One of the proposals, which was presented by Martha Chavez and Oswaldo Sandoval, suspends the Democratic Constituent Congress plenum sessions until 2 November. It was said that the proposal seeks to allow congressmen to work better in publicizing the Constitution's text.

Thus congressional work entered a virtual recess as the plebiscite date approaches. It is expected, however, that the committees will continue working. [passage omitted]

Constitutional Amendments Outlined

PY2710174993 Lima EL PERUANO in Spanish 30 Sep 93 pp A6, A7

["Brief and specific" aspects of the Constitution that have been amended]

[Text]

Fundamental Rights of the Individual

—Article 2, Paragraph 5, establishes the possibility of lifting banks' and tax confidentiality if a judge requests it.

This addition thus seeks to regulate the conduct of government officials in particular.

—The same paragraph provides for the petition of habeas data, though without specifically mentioning it. Its inclusion answers the need for allowing all citizens access to any information the government's data bases have about them. It moreover establishes the possibility of demanding the correction of such data.

—Paragraph 20 underscores this right by noting the formulation of petitions by citizens, including Armed Forces members.

—Paragraph 19 acknowledges the right the individual has to his ethnic and cultural identity. It also specifies that every Peruvian may speak his/her native language when addressing authorities and that he/she should be assisted by an interpreter. With regard to this issue, Article 48 establishes that pursuant to the law (Article 83 of the 1979 Constitution: Spanish is the official language of the Republic. And so are Quechua and Aymara (...) other languages are also part of the nation's cultural heritage). Quechua, Aymara, and the other aboriginal languages are official languages.

—An option incorporated in Paragraph 24-H is that anyone may immediately request "a medical examination for the aggrieved person or for a disabled person who cannot appear before the authorities," without necessarily being a close relative.

Social and Economic Rights

—Article 17 stipulates that primary and secondary education will be free. University education will be free depending on the student's financial possibilities and performance.

—Article 27 grants protection to workers against arbitrary dismissals (the 1979 Constitution touched upon job stability).

—Unlike the 1979 Constitution, neither labor laws nor tax laws are retroactive under any circumstances. The only retroactive laws recognized by this Constitution are penal laws that may benefit a convict.

Political Rights

—An addition to the 1979 Constitution (Article 64) is that all forms of direct democracy are incorporated in Article 31, including the removal of authorities from office and the request for having elected officials accountable for their actions.

—Article 35 not only acknowledges that political parties are a way in which popular will is expressed but also provides for regulations to ensure, above all, transparency for the source of parties' financial resources. Article 68 of the 1979 Constitution dealt with political parties in a rather vague way.

—The state's duties are clearly enumerated in Article 44. The state's interference in issues pertaining to citizens' lives is not so great.

Economic System

—The state may only engage in business activities by a specific law enacted to that effect and provided the private sector is inefficient or unable to do so. The 1979 Constitution stipulated in Articles 11 and 115 that the state was in charge of planning development strategies. This, however, was never put into practice.

—With regard to property, this Constitution does not include social interest among the causes for expropriation.

Tax and Budget System

—Article 74 states that urgent decrees must not deal with tax issues. Another chapter states that this type of decree has the force of law. This ends the confusion arising from Paragraph 20, Article 211, of the 1979 Constitution because the president was vested with the power of issuing extraordinary measures in the areas of economics and finance, but it did not specify whether they were provisional or permanent.

Municipal Regions

—Article 195 states that concerning citizens' safety, the law regulates cooperation between the National Police and municipalities.

Ombudsman

—Pursuant to the 1979 Constitution, the Public Prosecutor Department was in charge of acting as ombudsman. Now (Article 161) the ombudsman is established as an independent entity elected and removed from office by Congress.

National Council of Magistrates

—Now the National Council of Magistrates is vested with the power of selecting and appointing judges and prosecutors. The previous Constitution established that it was the president's prerogative to name judges following a prior proposal by the council. It moreover established that the Senate has to confirm these appointments.

—The council also is vested with authority to remove its members and prosecutors. A final decision may be made later.

The Judiciary

—Article 140 provides for the death penalty and includes terrorism as one of the cases that justifies its application.

—Taking into account an everyday occurrence, Article 149 recognizes peasants' defense patrols and acknowledges that peasants and native authorities have the right of exercising the functions that fall under their jurisdiction within their territorial area provided they do not violate fundamental individual rights.

Council of Ministers

—It includes the appointment of the president of the Council of Ministers, who can be a minister without portfolio.

Constitutional Guarantees

—Article 200 incorporates the action of habeas data and the action of performance to constitutional guarantees. It moreover establishes that should a state of emergency be declared—as this involves the suspension of constitutional guarantees—the body that has jurisdiction over the case will examine whether this restrictive act is reasonable and in place. This means that even if constitutional guarantees have been suspended, the detainee will have the right to have the link between the event that gave rise to the state of emergency and the reason for his arrest proved.

—Among those who are qualified to bring an action of unconstitutionality, Article 203 incorporates the ombudsman, regions' presidents in agreement with the regional coordinating council and the appropriate professional associations. Besides it reduces to 5,000 the number of citizens required to file such an action (the 1979 Constitution demanded that the number be 50,000).

—Article 301 of the 1979 Constitution establishes that the Court of Constitutional Guarantees should notify the Congress president that a piece of legislation passed by Congress has been declared unconstitutional. The new Constitution simplifies this procedure and establishes that it suffices for the Court of Constitutional Guarantees to declare a statute unconstitutional and then publish it.

Structure of the State

Legislative Branch

1979 Constitution

- Congress comprised two chambers: The Chamber of Deputies and the Senate and a standing committee that sat during the congressional recess. Congress was made up of 240 members.
- The Senate was elected by regions.
- Presidential candidates could also run for Congress.
- It did not specify whether congressmen should work part-time or full time.
- It was the Chamber of Deputies' prerogative to impeach the president of the Republic before Congress, whereas the Senate was empowered to suspend him in case of an impeachment.

1993 Constitution

- Congress consists of a single 120-member chamber.
- There will be a single electoral district for election purposes until the decentralization process is completed.
- Presidential candidates are banned from running for Congress.
- The post of Congressman is a full-time job.
- The Standing Committee is vested with the power to impeach the president of the Republic. Congress, without the intervention of the standing committee, is in charge of deciding whether to suspend the president.

Executive Branch

1979 Constitution

- The president's term in office was not renewable, though he could run for the presidency again after a constitutional term had elapsed.
- It does not state how the blank or null votes will be tabulated.
- With regard to the president's duties, Article 211:

* Does not include the need to sign a decree convening a special session of Congress.

* Paragraph 13 includes the duty of observing and making others observe resolutions by the Court of Constitutional Guarantees (besides those by the National Election Board).

* Paragraph 15 stipulates that ambassadors and plenipotentiary ministers must by confirmed by the Senate.

* Paragraph 20 does not specify the nature of extraordinary measures.

* Paragraph 23 only provides for the granting of pardons and commutation of sentences.

1993 Constitution

- The president may be reelected for another term of office. Once he has served for two consecutive terms, he may only run for the presidency after a constitutional term has elapsed.
- Blank or null votes are not tabulated.
- With regard to the president's duties, Article 118:

* Paragraph 6 establishes that the president must sign a decree convening an extraordinary session of Congress.

* Paragraph 10 fails to mention the Court of Constitutional Guarantees when referring to the president's duty of observing and making others observe the resolutions.

* The Council of Ministers has to approve the appointments of ambassadors and plenipotentiary ministers. Congress only has to be notified of the appointments (paragraph 12).

* Extraordinary measures have the force of a law (paragraph 19).

* The right to mercy for defendants whenever proceedings exceed twice the time established for their conclusion plus extension of deadline.

Relations Between the Executive and Legislative Branches

1979 Constitution

- The president is empowered to dissolve Congress if the latter passes a vote of censure on or withdraws its support to three councils of ministers.
- The decree of dissolution must include the calling of elections within 30 days.

1993 Constitution

- The president is empowered to dissolve Congress if the latter passes a vote of censure on or withdraws its support to two councils of ministers.
- Parliamentary elections are held within four months following Congress' dissolution.

Use of Sendero Members in Pacification Process Assessed

PY2710183293 Lima EL COMERCIO in Spanish 13 Oct 93 p A2

[Editorial: "National Pacification Process Assessment"]

[Text] Terrorist leader Abimael Guzman Reinoso's second letter, which was disclosed last weekend, must be evaluated very carefully if we are to prevent such a

delicate achievement as the national pacification process from being spoiled or, eventually, from being politically manipulated.

Concerning the letter itself, it is important to emphasize that Guzman confirms the substantive concept of the need to end the armed struggle when he says: "... it is necessary to struggle for a peace accord with firmness and determination. This is an undeniably necessary historic decision, especially now that peace has become a necessity for the people, the nation, and Peruvian society in general."

It is essential to evaluate this message for those remaining Shining Path [SL] members because they, who have for more than a decade described themselves as Guzman Reinoso's followers, must note today that he no longer considers the so-called "people's war" appropriate.

If these SL followers understand that their criminal sect no longer has any possibility of maintaining itself or of carrying out its violent programs, the goal of pacification will be achieved much faster and with less trouble.

Right now the Peruvian state has the basic legislation through which to pardon and restore to society those individuals who were forced to join the SL and other terrorist gangs. This, of course, will only become a reality (as in many cases already) when terrorism definitely surrenders and hands in its weapons.

This leads us to another level of analysis. Abimael Guzman's second letter must be understood within its real dimension: as a document marking a landmark in the SL's surrender, not as a starting point to establish a dialogue with the Peruvian Government and state.

No matter how important Abimael Guzman may be in this process of surrender, no one can or should forget that he is a criminal, tried and sentenced to life imprisonment. He is not a political prisoner and much less deserves special treatment.

If we receive and make public his letters, we should do so in a realistic manner, thus avoiding a situation wherein the dismantling of terrorism could extend unnecessarily and incur further serious risks.

But watch out! No Peruvian should ever agree that Abimael Guzman, Elena Iparraguirre, or their entire criminal sect should be treated as representatives of a political force. The trail of blood and destruction left by these terrorists, who killed 25,000 fellow countrymen and caused property damage worth $22 billion, can never be erased.

This is why Abimael's surrender—although we understand it will receive some publicity—must be handled with ethical and moral respect for the Peruvian people.

It is, therefore, remarkable that a message by this criminal leader should contain political commentaries that apparently support the current government.

We must always bear in mind the basic political principle that the objective never justifies the means, much less so when the "means" is none other than the one responsible for the deaths and destruction that have so deeply affected our motherland.

When the first letter was published we established a clear position: It is not juridically, ethically, or morally admissible to negotiate with the SL leader. National pacification should be attained based on a single premise: the SL's unconditional surrender.

The Peruvian state and government can, of course, explore complementary channels to speed up the pacification process. The CCD [Democratic Constituent Congress] should give it priority treatment—placing it within the current election campaign—by quickly establishing a legal framework for this complex situation.

Even though it may seem unnecessary to repeat it, using criminals like SL members for political purposes would be immoral, just as it would be inexcusable to turn these criminals into legitimate public figures within an incipient democratic framework.

Venezuela

Defense Minister Testifies on Rangel Accusations

PA2710132293 Caracas Radio Caracas Television Network in Spanish 0200 GMT 23 Oct 93

[Report by Emira Sanabria for "The Observer" newscast]

[Text] Setting aside his military hierarchy and dressed in civilian clothes just like any other citizen, the defense minister testified at Caracas' Second Permanent Military Court, which has begun a summary investigation into accusations made by journalist Jose Vicente Rangel.

As everyone recalls, Rangel said four generals were reportedly involved in a conspiracy to topple the government. As a result, the Second Permanent Military Court headed by Judge Ramon Moreno Natera began a summary investigation. Judge Moreno Natera summoned Munoz to provide any information he has about the case.

[Begin Munoz recording] I am here to do my duty as a citizen and discharge my responsibility as a member of the Armed Forces. I have deemed it appropriate to come here right away, first because I do not fear the consequences, and second because I have a keen interest in ending conspiracy attempts in Venezuela once and for all. Venezuelans want order, decency, peace, and honest elections. [end recording]

Judge Moreno Natera explained that journalist Jose Vicente Rangel is not being investigated and that this is merely an investigation into an accusation that requires testimony from both the defense minister and Rangel.

[Begin Moreno recording] Immediately after I issued the order to proceed, I asked the pertinent organization of military justice—the Directorate of Military Intelligence [DIM]—to prepare a case based on the news report about the crime. That is why Rangel is being summoned by DIM. Once the report is verified, I will summon him to court. [end recording]

Rangel is expected to give the names of the alleged military conspirators in the coming days. If he does not, he could face a military trial.

Further on Minister's Testimony

PA2710132993 Caracas EL DIARIO DE CARACAS in Spanish 26 Oct 93 p 31

[Report by Jose M. Rojas]

[Text] The public confrontation between Defense Minister Radamez Munoz Leon and Jose Vicente Rangel worsened yesterday when the military leader questioned the journalist's attitude. Munoz said Rangel's program "sounds like parrots in a pet shop." He obviously meant the "Jose Vicente Today" talk show on Televen.

The minister explained that Rangel did not appear before the military board yesterday morning because "the judge was called away." He then addressed Rangel's allegations in a drastic way. According to Rangel, the minister has the names of people who are conspiring against the democratic system.

It is very disquieting to hear such cavalier talk about such a significant event. The future of 20 million Venezuelans is at stake. This is not a tempest in a teacup. What is even worse is that Rangel said during his program last Sunday that if he had the list of names—which he denied—he would not release it either, the minister said.

The defense minister asked: "What does that mean? What kind of Venezuelan is Jose Vicente Rangel, who would rather let 20 million Venezuelans drown before divulging the names just to keep himself from being called a 'stool pigeon.' We all know that every week there are nothing but 'parrots in a pet shop' on that program."

Munoz Leon said he will never watch the program again or believe what Rangel has to say. "Who is going to believe this story?"

The minister reaffirmed that he has no names of any alleged conspirators and added that "Rangel has shown disrespect for Articles 4, 10, and 11 of the Code of Ethics of Venezuelan Journalism and Article 66 of the Constitution."

I think these kinds of statements must maintain a certain seriousness before public opinion. I no longer investigate such allegations and I repeat: I never respond to accusations except in court, where there is clear evidence and not just gossip like on these television programs.

The Rangel accusation is an insult to the country, Munoz Leon said, admitting he was "one of the foolish Venezuelans sitting in front of their television sets that Sunday waiting for the journalist to say the names of the conspirators."

The minister said that this exchange must end. "I, at least, do not insult anyone else, and the serious accusation Rangel has made worries me very much."

Rangel Appears in Court

PA2710132593 Caracas Venezolana de Television Network in Spanish 2350 GMT 25 Oct 93

[Report by Ligia Moreno for "The News" newscast]

[Text] As scheduled, Jose Vicente Rangel today appeared in the High Military Court headquarters to render testimony regarding the investigation of an alleged conspiracy. Defense Minister Vice Admiral Radames Munoz Leon also testified. In any case, Rangel's efforts were futile, because he was denied access to the media, a situation that was later overcome. Then he was told he would have to be summoned again by the court in charge of the investigation.

[Begin Rangel recording] I challenge the defense minister to talk, to take action, to open the investigation, because after Pablo Medina gave the names of several officers, a military trial was opened. I have not given any names of any officer. I only said the defense minister had names, then a military investigation was ordered. What's the story? Is there any interest in knowing about the conspiracy? If so, no one is better suited to know about it than the defense minister, who has all the security and intelligence organizations at his disposal. [end recording]

Navy Requests Purchase of 3 Planes, 2 Helicopters

PA2710170293 Caracas EL NACIONAL in Spanish 22 Oct 93 p D-4

[Report by Jesus Eduardo Brando]

[Text] After obtaining approval from the Finance Ministry, the Venezuelan Navy presented to the Defense Ministry a request for the signing of contracts to purchase five aircraft worth approximately $49 million from the Spanish Casa firm and the Italian Agusta firm.

Sources told EL NACIONAL that the Navy's request was approved by the Finance Ministry and referred to Defense Minister Radames Munoz Leon for the purchase of three Aviocar-212 troop transport planes worth $24 million and two Agusta helicopters worth $25 million.

The transaction was reportedly carried out by directly awarding the contract to the Spanish Casa firm and through weapons and equipment brokers Tony Perosch and his brother-in-law, Mario Gargiulo, a retired Italian Air Force colonel. It is believed that even though the contracts were awarded directly, due notification will be sent to the Armed Forces Comptrollership General to coordinate future reasonable controls.